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## Japan Pledges Concessions To Help Bush on Economy 'It's Time We Reward the Friendship'

By T. R. Reid and Paul Blustein

TOKYO - Prime Minister Krichi Miyazawa made it clear Monday that he intended to follow the Japanese custom of offering gifts to guests when he plays host this week to President George

At a press conference with American reporters on the eve of Mr. Bush's arrival, Mr. Miyazawa said Japan would do its utmost to help by offering trade and economic concessions that could assist Mr. Bush in reviving the sputtering U.S. economy.
"It's over 40 years that Japan has benefited from
the friendship of the United States, and it's about

Nicholas Brady, the U.S. Treasury secretary, is joining President Bush in Japan. Page 3.

time we reciprocate, we reward the friendship," the prime minister said as he offered a conciliatory preview of this week's summit meeting between the world's two richest nations.

Japan's Finance Minister, Tsutomo Hata, also had good news for Mr. Bush when he said Monday that Japan was pleased with the recent strengthen-ing of the yen against the dollar. The trend makes U.S. goods cheaper here and should increase U.S.

exports to Japan. But the Japan Automobile Dealers Association threw a dash of cold water on the hospitality. At a news conference of their own Monday, leaders of the group said bluntly that increased sales here of American cars - one of the chief goals of Mr. Bush's visit - were unlikely unless U.S. automobile makers produce smaller and more fuel-effiMr. Bush arrives in Japan from Scoul, where he reaffirmed the U.S. commitment to the security of South Korea on Monday before ending a two-day

As a gesture to North Korea, Mr. Bush said that he and President Roh Tae Woo of South Korea would cancel this year's joint U.S. South Korean military exercise if North Korea agreed to open its

Mr. Bush, who is accompanied by a delegation of 21 leading U.S. corporate executives, will stop in Kyoto on Tuesday before holding talks with Mr. yazawa in Tokyo on Wednesday.

At his press conference, Mr. Miyazawa said a key area where he expects to act will involve trade policies that could help the U.S. increase imports, thus offsetting the \$40 billion trade deficit with Japan that Mr. Bush has made the prime target of his meetings here.

his meetings here.

"If the efforts are not enough on our part we will rectify what faults we have," Mr. Miyazawa said. He said Japan would do more to support international research products. Mr. Bush is expected to ask the Japanese for a large contribution to the Superconducting Supercollider, a huge research center under construction in Texas.

Signs have also emerged — including Mr. Hata's comment. Monday — that Mr. Bush and Mr. Miyazawa may nudge the dollar lower against the yen, perhaps by stating their approval of the recent decline in the U.S. currency.

Mr. Miyazawa, 72, said it would serve his political interests at home to be accommodating to his

American visitors this week. What I am going to do, what I can do to help

# Case Study of Big 3 Failure

Many Fault U.S. Automakers for Shortsightedness

By David E. Sanger

TOKYO - When President George Bush and the chairmen of General Motors, Ford and Chrysler arrive Tuesday to cite the dismal sales of American cars in Japan as a symbol of what is wrong with Japan, they may meet a rude surprise.

Tokyo is preparing to cite the same example to make its case about the shortsightedness of Ameri-

For years, the Big Three automakers have been the asost companies that try to sell in Japan exactly the same products they sell in America, with few concessions to Japanese tastes, Japanese habits, or even the width of the roads.

With few exceptions, the American car giants have failed to make the kinds of large investments and commitments to new products that have brought modest success in Japan to some of Europe's leading carmakers, as well as other Ameri-can companies such as IBM, Eastman Kodak and

few American executives with long experience in Japan — are suggesting that Mr. Bush is coming with the wrong traveling companions, playing into Japan's argument that the problems facing the U.S. auto industry emanate largely from Detroit.

"The solution is straightforward," Yutaka Kume, the president of Nissan Motor Co. and the . head of the leading trade group for Japanese automakers, said several months ago. "If the Big Three

are to expand in the Japanese market, they first and foremost have to offer a car that is the right size and the right feel for Japanese consumers;

They have to improve their marketing."

Most important, he said, "they have to realize that no one else will help them sell while they are

Few question that numerous trade barriers remain in the automotive market, particularly in auto paris, where Mr. Bush can present a strong case that many American companies have been authority excluded from the market.

The minister for international trade and indus-

try said Monday that Japan would probably have to set import targets for U.S. cars and car parts to satisfy American demands, but other ministry officials quickly denied the comments, news agencies

["Our promise to make efforts alone cannot work," the minister, Kozo Watanabe, said at a news conference, "The American and Japanese people would not be convinced unless we present concrete figures." One of Mr. Watanabe's vice however, and other ministry officials said they were not planning specific import targets, and

certainly not binding ones.]
Even those American business executives and diplomats who complain about the obstacles to doing business in Japan say they have a hard time working up much sympathy for the Big Three, even if three-fourths of the trade deficit with Japan has

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## GM's Cuts 'Mean Nothing'

By Warren Brown and Frank Swoboda

Washington Part Service
WASHINGTON — When the directors of General Motors Corp. gathered near Washington for their quarterly meeting Dec. 9, Chairman Robert C. Stempel was ready for trouble. The world's largest automaker had been losing money since he took charge 17 months earlier. Wall Street was beginning to complain, and some directors had been privately contacting top company officials to urge that GM finally take decisive action.

One group of board members had been offering proposals for dramatic steps to stop the financial hemorrhaging that was beginning to threaten the company's credit rating.

But Mr. Stempel and his top heutenants resisted

In the days that followed the meeting, GM's decision-making management committee, made up of Mr. Stempel and six others, considered a number of options, according to sources. One proposal, offered by activist directors, was to cut executive pay. Another was in eliminate product lines - or

possibly even one of its five sacrosanct car divi-sions. Still another idea was to ask the United Auto Workers union to renegotiate its contract to give

the antomaker wage and benefit concessions. But in the end, the management committee rejected all those suggestions and adopted a plan that, while draconian, mainly continued past policy. GM would close 21 North American plants and eliminate 74,000 jobs by 1995. That carried on GM's strategy of trimming the work force and plants to accommodate GM's shrinking share of the North American car and truck market, now at 35 percent, down from 45 percent a decade ago. But there was nothing in the plan announced Dec. 18, analysts said, that anticipated any comeback in

the race for market share.

"And so what they came up with, essentially, was a plan that means nothing," said a former GM board member who asked not to be identified. That plan does not address the real problems affecting GM, such as the big gap in the amount of man-hours that GM needs to make a car, versus

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Rebels waving the Georgian flag and firing in the air Monday to mark Mr. Gamsakhurdia's exit.

## Georgian President Flees, Ending 2-Week Tbilisi Siege

By Michael Dobbs Washington Post Service

TBILISI, Georgia - Worn down by a steady artillery barrage and descried by many of his ministers, the Georgian president, Zviad Gamsakhurdia, fled his besieged parliament building early Monday, leaving behind a capital devastated by two weeks of intensive street

hands," said Dzhabar Ioseliani, a Tbilisi Reports from the Armenian leading member of the self-pro- capital, Yerevan, later said Mr. claimed Military Council that over- Gamsakhurdia had reached Idjethrew Mr. Gamsakhurdia eight van an Armenian border commumonths after he won a landslide nity. election victory. "Until things calm down, and until democratic institutions take root in Georgia, we will

Opposition leaders said that Mr.

buses and armored cars. The presidential convoy split up

when it came under fire in Tbilisi. and several dozen soldiers as well as several pro-Gamsakhurdia legis-Azerbaijan's Turan news agency said 12 cars carrying Mr. Gamsak-

hurdia and his party first went to Gyandzha, Azerhaijan about 160 "Power in Georgia is in our kilometers (100 miles) southeast of

Tass had reported that the Armenian president, Levon A. Ter-Petrosyan, had offered Mr. Gamsakhurdia political asylum.

Tass issued a clarification late Gamsakhurdia, accompanied by Monday, saying that the authoriseveral dozen soldiers and aides, ties in Armenia would grant only had headed southeast toward Azer- temporary refuge to Mr. Gamsak-

rage back to Georgia, Agence

France-Presse reported. ["Official Armenian circles are making it known that what is at issue is not the granting of political asylum to Zviad Gamsakhurdia,

but temporary refuge," Tass said.]
The flight of Mr. Gamsakhurdia from the building where he had the culmination of a bitter struggle for power in this mountainous Caucasian republic. After ousting the Communists in parliamentary elections in October 1990, the victorious pro-independence leaders

began squabhling.

A veteran dissident and human rights activist, Mr. Gamsakhurdia won 86.5 percent of the vote in presidential elections in May by presenting himself as the incarna-tion of Georgia's centuries-long

See GEORGIA, Page 3

## U.S. Is Worried By Bonn's New **Assertiveness**

## 'We Have to Take Germans More Seriously,' Aide Says

By David Binder

WASHINGTON -- U.S. policymakers have become disquieted by what they discern as new assertiveness on the part of the German government and its willingness in flex its muscle in international rela-

The main cause of disquiet is Bonn's decision in push ahead in the Yugoslav crisis with recognition of Croatia and Slovenia, rebuffing pleas of the United States, the United Nations and other European governments to remain in the previous framework of European Community peace efforts. It was the most striking display of Ger-man assertiveness in foreign policy since German reunification in Oc-

The European Community's approach had consisted of negotia-tions among the leaders of the six Yugoslav republics under the auspices of the 12-member Community, augmented by a UN mission headed by Cyrus R. Vance, to seek a general cease-fire and the deploy-

ment of peacekeeping troops. But the German approach, started in the early autumn by Foreign Minister Hans-Dietrich Genscher, focused solely on diplomatic recognition of Croatia and Slovenia, both of which had declared their intention to secode from the Yugoslav federation in June.

Describing the German approach, the weekly Der Spiegel said. "It was the first time since 1949 that Bonn took a unilateral action in foreign policy." The Federal Republic of Germany was

founded in that year.
A senior U.S. State Department official, "uneasy" about the new German stance for six months, said, "I really am bothered about it,

He said Germany's new assertiveness "is going to be difficult for us to stomach

There is no question that we have to take the Germans more seriously than they have been," he

He and other administration officials concerned with Germany said they were worried less about the fact of the German initiative on Yugoslavia than about "the strongarm tactics," as one put it. A second official said he was disturbed by "the style - that we are right and the rest of you should follow us" displayed by Mr. Genscher in

the Brussels deliberations.

These officials were also disturbed by Chancellor Helmut Kohl's boast, after the Brussels meeting, that it was "a great victory for German foreign policy." A State Department official, have proclaimed the first German

Sieg since 1945."
U.S. administration officials contend that Bonn has also become more muscular on trade and financial issues, notably by sidestepping a U.S. request to help in persuading France to agree to reduce Europe's raising interest rates last month without regard to effects on its trading partners.

Several officials recalled that they had expected the inne in U.S.years by President George Bush's invitation in a speech in May 1989 in Mainz in the Kohl government in join "a partnership in leader-ship." That was less than six months before the fall of the Berlin Wall and the opening of the path toward German reunification.

We saw it as a matter of worktion official recalled. "The Germans have something else in mind. more a division of labor, a partnership à la carte." He noted that ex-eeps for contributing to the costs of the allied forces in the Gulf war, the Bonn government stayed aloof, even when its North Atlantic Treaty Organization partner, Turkey, was threatened by Iraq.

A senior administration official commented that he saw "a potential for triumphalism" in the new German actions.

After a national overdose of Sieg propagands by the Nazis, includ-ing Hitler's repeated predictions of up until his suicide in April 1945, Germans in general and German politicians in particular tended to shun proclamations of "victory" except in sports. In place of Sieg, they employed the more anodyne expression, Erfolg, which means "success" as well as "victory."

Robert Gerald Livingston, a retired American diplomat who has specialized in German affairs for four decades, remarked, "Speaking of Sieg would bother me if it became a constant in German poli-

But Mr. Livingston, the director of the American Institute for Contemporary German Studies at Johns Hopkins University in Baltimore, said of the Kohl government's assertiveness: "I think it is less muscle-flexing than the consequence of passion, even an obsession, for order. What they see in Eastern Europe and beyond is chaos and anarchy. It disturbs them on the political level and on the emotional level, the fear that unwashed

See GERMANY, Page 2

## Spain Waking to Cracks in Dream of Democracy

By Barry James international Berald Tribune

MADRID - In a country that prides itself on having thrown off the shackles of Francoism, the dream of democracy is fall-

Compared to a generation ago, when it was isolated and reactionary, Spain can boast of a vibrant democracy. But it is one weakened by a high level of corruption, tenacious authoritarian attitudes, divisions in the governing Socialist Party and an

There is a pervasive cynicism about the governing Socialist Party, in power 10

Many voters share the dilemma described in a recent cartoon by Juan Ballesta

in the magazine Cambio 16: "I don't know leader, Prime Minister Felipe González, 50, has put aside his boy-next-door image for elegant suits and silk ties. The magazine who to vote for, so I shall vote for the Socialists." In short, they doubt that anyone else would do much better.

A Mortgage on Success Second of five articles

three major cities, Madrid, Seville and Valencia. Many erstwhile supporters say the Socialists have become sleek and remote, courted by bankers, industrialists and beautiful people, but heedless of its roots in Indeed, the increasingly aloof party

Spaniards are disappointed in the party, judging hy its electoral losses last year in

Carlos Solchaga Catalán, the minister of the economy and finance, has acknowledged in the Cortes, or parliament, that the political class in Spain does have a poor image. "It is our fault," he said.

Madrid describes him as a Gaullist.

"We achieved a free society," said Lu-dolfo Paramio, a former Socialist Party militant in a recent newspaper interview, but one that was totally different from what we had imagined and for what we had fought. We see an upsurge of neo-liberal-ism and the new right. There is liberty for all, but especially for those who can afford

sition right-of-center Popular Party, says corruption extends throughout many sectors of society but asks of the Socialists: What remains of that famous ethical spir-

it they spoke about so much in 1982?" Even the studiously apolitical King Juan Carlos I has spoken out against corruption. So has the retired primate of Spain, Cardinal Vicente Enrique y Tarancon, a man of immense prestige because of his role in the peaceful transition to democracy after the death of Franco in 1975.

So how corrupt is Spain? According to Juan Pahlo Fusi Aizpurua, professor of modern history at the Complutense University in Madrid and former director of

See SPAIN, Page 2



Outside the Lenin Museum in Moscow, a woman with a sign reading 'No increase in prices' protested recent free-market measures in Russia.

## The New Arbat Has a Taste of Success Employee-Owned Moscow Grocery Features Cleanliness and Short Lines

By Margaret Shapiro

Weshington Post Service
MOSCOW — Last week, while many
stores here were filled with little more than mud from the boots of countless frustrated shoppers, one grocery on a busy downtown street was offering high-priced Polish ham, several types of salami, eggs, butter, soda, sour cream, smoked salmon, fresh fish, beer, wine, pizza, cookies and fresh, if fatty, pork

"I last saw such a variety two years ago," marveled one woman as she surveyed the salami counter, trying to decide which kind to buy and how much she could afford at the steep prices demanded by the New Arbat

Three months ago, the Moscow city government gave the store's president. Leonid Semenov, and only one other shopkeeper. permission to experiment with unregulated prices at his supermarket on New Arbat Street in downtown Moscow.

Now this grocery store is what President Boris N. Yeltsin and his advisers hope will emerge from the rubble of the controlled

economy and from the shock therapy of freed prices that was instituted in Russia last week, Several other republics of the former Soviet Union also ended decades of price controls and subsidies last week, and others are expected to do so in the coming days.

Mr. Semenov's operation is no Western

grocery store. Vegetable oil, cheese, coffee, appetizing fruit and vegetables, and a legion of other items that Westerners would expect to see in a market were not on sale. Some display cases had very little in them; the only fresh meat was the pork. But compared with virtually any other store in Russia, including those still-extent

"special stores" set up long ago for Commu-nist Party officialdom, this establishment with its cheery red-and-white-striped aw-nings, basic cleanliness, well-lit interior, relatively plentiful supply of basics and relatively short lines - is extremely unusual.

The reason is that the grocery has been able to run more or less on a for-profit basis for three months. Mr. Semenov - who after 30 years inside the Soviet food system was sick of the mefficiency of state-run stores - attracted goods from farms and meat producers 

by paying more than the government did and selling them at prices well above those in state

Unlike the state stores, Mr. Semenov said, "we now have a line of suppliers wanting to sell to us, because we offer a good price and they know we promote their goods in the best way possible."

While the store still gets much of its food through the state distribution system, an entire section of employees is now devoted to making private connections with suppliers and arranging contracts for goods and transportation. Even with price liberalization, however, the store is allowed to add only 25 percent to the price of food that it receives from its suppliers.

Despite the higher prices — a pound of ham, for instance, cost the equivalent of an average worker's monthly salary, and a package of butter was about half that - the New Arbat grocery has plenty of customers; the store's December turnover equaled half of its total for 1990. The mentality at the store also is quite

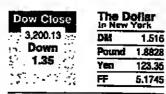
See MARKET, Page 3

#### Klosk

#### U.S. Supports Israeli Censure

UNITED NATIONS, New York (Reuters) — The Security Council, with full U.S. backing, nn Monday strongly condemned Israel's decision in deport 12 Palestinian activists from the occupied ter-

The United States had an-nounced earlier that it would support the resolution condemning the deportation order, a move that could pave the way for a resumption of Middle East peace talks. Earlier article, Page 4



Crossword

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123.35

## Silicone Implants: U.S. Urges a Curb

WASHINGTON - The Food and Drug Administration asked American doctors on Monday to stop using silicone gel breast implants until an advisory panel can assess new information on their safety. The agency's action fell short of the outright ban on

silicone gel implants that critics had sought.

"We want surgeons in stop using these implants in patients until this new information can be thoroughly evaluated," the commissioner of the agency, Dr. David Kessler, said.

Dr. Kessler also asked makers of the products to stop distribution until the agency's advisory panel on plastie surgery devices could meet to consider the new safety data. According to agency figures. 2 million women have

received silicone gel breast implants, and 150,000 of the devices are implanted annually. About 80 percent are for cosmetic purposes, with the rest used to reconstruct breasts removed as the result of disease or

The agency has received about 2,500 reports of illnesses or injuries associated with the implants, which are marketed in the United States by Dow Coming Wright Co., which is jointly owned by Dow Chemical Co. and Corning Inc.; Bioplasty Inc.; Mentor Corp., and McGhan Medical. (AP, Reuters)

## The Faces of the Homeless in Europe Are Becoming Younger

By William E. Schmidt New York Times Service

LONDON - Just before midnight, an unmarked Salvation Army van pulled up to the curb outside Euston Station and a trickle of tattered men and women edged cautionsly from the shadows around the railroad terminal, bunched against the biting winter

There were, in all, about 30 of them, many wrapped in blankets. Most were young, in their early 20s, a few smelling sharply of alcobol.

As they formed a ragged line to collect their ration of sandwiches and soup and steaming tea, one man, a mute, leaned into a Salvation Army volunteer, his eyes wide as his hands chopped the air in a frenzy of sign language, trying to make himself understood. A bearded companion intervened, explaining that

his friend's sleeping bag had been stolen. Could he have some blankets to help him make it through the

He was given blankets, plus a chit that entitled him to collect a free sleeping bag the next day from a Salvation Army warehouse.

The young, the infirm, the mentally ill, the alcoholic, the immigrant — they are among the faces of the borneless, people who are to be seen on the streets of London, Paris, Amsterdam, Madrid and Rome, as well as in smaller cities across Europe.

young people, not just in London but in small towns, too, in Basingstoke and Easthourne, Croydon and Hastings on the coast," said Major Robert McClenahan, a Salvation Army officer who regularly makes the midnight soup runs around the capital.

Homelessness in Europe does not appear to have reached the grim proportions familiar to New York, Washington and many other American cities. But the romanicized image of the clochard, the footloose European vagabond, has been supplanted by a more Dickensian scene, of thousands of people - many of them sick, some of them immigrants, most of them without work or hope - who sleep in doorways, parks, underground parking garages or cramped shelters in which whole families must share a single room.

Still, the precise scale of homelessness in Europe is difficult to judge, and numbers and impressions vary

In Berlin, government officials argue that a growing population of bomeless reflects a temporary dislocation, as soaring rents in Eastern Berlin drive people from their homes. The number of homeless will be reduced, government officials insist, once people from the East figure out how to apply for welfare benefits intended to keep them off the streets permanently.

In London, the Salvation Army estimates that there

tally. The Salvation Army says that this is about the same number that charity workers counted in 1904, when the population of London was only slightly smaller than it is now, or about 6.8 million.

In addition, the Salvation Army counts 18,000 single people in hostels and shelters run by churches or charity organizations and 30,000 illegal squatters in London alone.

In Paris, the Salvation Army estimates the homeless population at 15,000 to 20,000, including those in elters, or just under I percent of the city population

Madrid, with a population of 3.5 million, has an estimated 5,000 to 10,000 homeless people, most of them sleeping on the street.

Catholic charities in Rome count about 6,500 street homeless among the city's 28 million people. Much of the problem is due to a steep decline in the

stock of low-cost rental housing in many European capitals, coupled with the consequences of a weak global economy that has exacted a heavy toll in jobs and in lost income.

But, according to some experts, the numbers of poor and mentally ill on European streets are also a mea-

"One of the biggest changes are the numbers of are as many as 2,000 people sleeping on the streets on sure of another phenomenon: a slow but gradual pung people, not just in London but in small towns, any one night — more than double the government's deterioration in the historically strong web of family. church and government support systems that have traditionally afforded the poor and the vulnerable in Europe a much wider safety net.

> While officials in Italy say a strong sense of church and family makes homelessness less a problem there than in the United States, they are troubled by a sharp increase in the number of people under the age of 18 seeking meals and beds at church missions.

"It is a bad sign indicating the strength of the Italian family is beginning to wane," said Francesca Zuccari. a volunteer worker who wrote a booklet for the home-less in Italy titled "Where to Eat, to Sleep, to Wash," distributed from the St. Egidio Community Center in

Government officials in France, Britain and else-where contend that they have increased spending on programs for the homeless. The British government has set aside more than \$186 million for the next three years to huild shelters for homeless, and the French are spending about \$37 million a year on similar social

In Rome, the city government provides about \$4.3 million annually, or about 40 percent of the cost to Catholic charities of providing twice-daily meals and changes of clothing for the city's poor and bomeless.

that he been sentenced to death for his activities at the side of the Lyon Gestapo chief, Klaus Barbie.

died in September 1991. Two other Frenchmen have

been charged with crimes against bumanity but have yet to be brought to trial. They are René Bousquet, the head of the national police during the Nazi occupa-tion, and Maurice Papon, a former budget minister,

who was the highest-ranking police officer in the

instrumental in gerting Mr. Touvier's pardon reversed

after uncovering evidence that Mr. Marcel said pointed to evidence that the fugitive had personally presided over the massacre of seven Jews and taken part in

The report indicated that Mr. Touvier had found

support in a surprisingly large swathe of church insti-tutions, from the conservative Lefebvre supporters to

mainstream Catholic groups such as Benedictines,

Jesuits and Dominicans. The report said the French

Catholic charity. Secours Catholique, paid a monthly

stipend to Mr. Touvier up to the time of his arrest. It said the church people who had helped Mr.

other atrocities.

## WORLD BRIEFS

## Ex-Mayor Denies Prison Sex Charge

WASHINGTON (AP) — The former mayor of Washington, Marion S. Barry Jr., has denied that a woman performed oral sex on him in an inmates' visiting room. He called the prisoner who reported the alleged

inimates visual formation incident a "professional liar."

If it had happened to me I'd have been locked up now," Mr. Barry

"If it had happened to me I'd have been locked up now," Mr. Barry

"If it had happened to me I'd have been locked up now," Mr. Barry said in a telephone interview from prison late Sunday with a television station. He suggested that if the incident had occurred he would face tighter restrictions and would not be allowed to make telephone calls.

Earlier, a spokesman for the U.S. Bureau of Prisons confirmed that the authorities were still investigating the allegations brought by Floyd Archer Robertson 3d, a former inmate at the minimum security prison at Petersburg, Virginia, where Mr. Barry is serving a six-month sentence for

2 IRA Car Bombs Damage Belfast

BELFAST (Reuters) — Two IRA car bombs exploded in the center of Belfast on Sunday night and Monday, causing extensive damage estimated in the millions of pounds, the police said.

The Irish Republican Army planted a 270-kilogram (600-pound) bomb in a stolen van outside an office building on Sunday night. Several banks and insurance offices were hadly damaged, and the roof of a nearby and insurance offices were badly damaged, and the roof of a nearby bowling alley collapsed from the impact of the blast. About a dozen British troops and pobce officers were slightly injured trying to evacuate

On Monday, the IRA set off a 230-kilogram bomb in a stolen postal van in the city center. No injuries were reported. The IRA gave less than 30 minutes' warning before each bomb.

#### Robbers Killed Britons, Savimbi Says

ABIDIAN, Ivory Coast (Reuters) — Jonas Savimbi, the Angolan opposition leader, said Monday that his former followers were not responsible for the deaths of four British travelers killed in an ambush. Mr. Savimbi, at a news conference in Ivory Coast, blamed robbers for

Mr. Savimbi, at a news conference m Ivory Coast, blamed robbers for the attack, which occurred near a base where thousands of former rebels are confined. But Mr. Savimbi, the head of the National Union for the Total Independence of Angola, said he did not think it was wise for foreigners to travel in Angola, which has just ended a 16-year civil war. Seven Britons were traveling in overland vehicles when they were attacked in Angola's southern Huila Province on Friday night. Four, including a doctor, were killed. In London, the Foreign Office said Britain asked Angola on Monday for a full investigation into the killings, nal Jean Villot, who was the Vatican secretary of state. Cardinal Villot wrote to President Georges Pompi-

#### **Argentina Seeks Falkland Resolution**

BUENOS AIRES (AFP) — Argentina has informed Britain that it would like to submit their dispute on sovereignty over the Falkland Islands to international arbitration, a British diplomat said Monday.

Greg Faulkner, a minister counselor and charge d'affaires of the British

Embassy, told a Buenos Aires radio station that Foreign Minister Guido Di Tella had "given me an explanation which I have transmitted to my government and I await the outcome of that action." But he added that Loudon "considers it advisable to maintain the well-known formula on sovereignty, which has been a very successful basis for our relations during the past two years."

#### Court Finds Ex-Mayor of Nice Guilty

GRENOBLE, France (AP) - Jacques Médecin, the former mayor of Nice who fled to Uruguay to escape arrest for corruption, was barred for life from holding public office in France and received a one-year prison

The court found him guilty of misusing public funds. He also was ordered to pay about 2.5 million francs (\$480,000) in fines and civil damages. Mr. Médecin has been living in South America. He forfeited all

rights of appeal by being absent.

Mr. Medecan resigned in September 1990 after 24 years as mayor of the

#### Admiral Defies Ukraine on Oath

MOSCOW (AFP) - The No. 2 admiral of the Black Sea Fleet said Monday that fleet personnel would not be bound hy the Ukrainian government decision to require the swearing of an eath of allegiance, Tass

The agency quoted Admiral Ivan Kapitanets as saying the Ukraine's taking control of the formerly Soviet fleet ran contrary to accords signed in Minsk by the presidents of the II republics of the Commonwealth of

Because of an editing error, an article in the Dec. 27 editions incorrectly characterized the influential society Memorial, a progressive group active in Russia. Memorial bas no relationship with the reactionary group

#### TRAVEL UPDATE

Passengers on SAS face delays and cancellations this week due to a dispute between pilots and management, news reports said Monday. The pilots refuse to work more than 42 hours per week, while SAS demands

that they work up to 46 hours and 35 minutes, the reports said. (AP) Pochentong Airport, Cambodia's international airport in Phnom Penh, is a disaster waiting to happen, according to a UN study that urgently recommends \$2.5 million just to get the control tower working properly. The UN Development Program study said the airport had no radar, no runway lights or rotating beacon, no fire equipment, no visual landing aids and no emergency power supply during the electricity cuts that are frequent in Phnom Penh.

#### The Weather



North America Rain and snow will fall in the Great Lakes region Wednesday and Thursday. Rain may begin in New York City Thursday. In rain-weary Texas, showery weather is likely el mid-week, it will be marrity dry in California, possibly windy in the south.

Europe London and Parls with have mild weather and showers Wednesday, then dry, cooler weather is likely by the end of the week, A storm off the coast of France will bring locally heavy rains to northwestern Spain and westom France later this week.

Asia

Hain will wet Stranghai end Taipel end begin to tall in western Japan Wednesday, it could shower in Tokyo Thursday, and showers are elso possible in Hong Kong at midweek. Seout will be mainly dry. Hit-ormiss thursderstorms will sook Singapore daily.

DEADER

# Latin America -3/27 - 7/20 st -4/25 - 11/13c | -3/27 - 7/20 st -4/25 - 11/13c | 14/57 5/41 pc 15/69 8x69 pc 7/44 - 3/27 pc 4/39 - 1/31 pc 4/39 0/32 c 4/39 - 1/31 pc 4/39 0/32 c 4/39 - 1/31 pc 4/39 0/32 c 4/39 1/34 | 2/7/60 0/368 pc 28/32 21/70 pc 19/66 12/53 sh 19/66 8x6 c 3 17/62 pc 18/32 sh 19/66 8x6 c 3 17/62 pc 18/32 c 11/13c 6 2/35 c 2/35 c 0/32 - 11/13c 6 2/35 c 2/35 c 0/32 - 11/13c 6 2/35 c 2/35 c 0/32 - 11/13c 6 2/35 c 0/32 c 1/35c 6 2/35 c 0/32 c 11/13c 6 2/35 c 0/32 c 1/35c 6 2/35 c 0/32 c

21 -70 11 -52 pc 22 -71 12/53 pc 24 -75 17 -62 pc 25 -77 17/62 pc

## French Clergy Aided Fugitive Archbishop's Panel Finds Churchmen Hid War Criminal

International Herald Tribune PARIS - After asking for "the truth no matter what it costs," the archbishop of Lyon received a dou in 1970 asking for elemency, and the president damning report on Monday from a panel of historians quietly pardoned Mr. Touvier in 1971, despite the fact damning report on Monday from a panel of historians who said that high-level Roman Catholic elergy had for almost 45 years helped one of France's most

hishops had helped conceal Paul Touvier, 76, the chief of the pro-Nazi militia in Lyon during World War II, who was sentenced to death in his absence after the war for crimes against burnanire.

Mr. Touvier was arrested in May 1989 at a monastery in Nice run by followers of the ultratraditionalist Archhishop Marcel Lefehvre. His arrest raised questions about the links between the church and the collaborationist Vichy regime.

A month after the arrest. Cardinal Albert Decourtray, the archhishop of Lyon, ordered the commission to dig up the facts about the concealment of Mr.

Gabriel Marcel, a lay Christian philosopher, was Touvier.

Cardinal Decourtray said he was confused and

saddened by the report. He said it showed that some members of the clergy had put "a certain kind of charity" before the demands of truth and justice. But the cardinal added that the report showed that the church as an institution had not been involved.

even though Mr. Touvier had been helped by a number of church people acting in concert. René Rémond, the head of the commission, which made its report public on Monday, said Mr. Touvier had aroused the sympathy of a surprisingly large number of Roman Catholic clergy, many of whom gave him money and shelter and organized petitions

on his behalf. "Some of his defenders saluted him as being the victim of a conspiracy by the eternal enemies of the true faith: Freemasons, Jews, Communists, democrats - everything that Touvier swore he was fighting," the

One of the highest-ranking churchmen identified in

the report was Charles Duquaire, secretary to Cardi-

Touvier saw him not as someone who had allegedly committed reprehensible crimes but as a martyr in a

While taking a factual rather than a judgmental approach, the report regretted that there were so few

people in the church who, like Mr. Marcel, had been able to reject the idea that "devotion replaces

-BARRY JAMES

#### counteroffensive by Mr. Mitter-PARIS - The governing Socialrand aimed at overcoming wideist Party plans a "straight swap" in

its leadership in an attempt to revive the sagging fortunes of President François Mitterrand and his deeply unpopular government, party sources said Monday.

Former Prime Minister Pierre Mauroy, 63, will announce his resignation as first secretary of the party on Tuesday and propose Laurent Fabius, 45, the parliament speaker and a close Mitterrand

confidant, as his successor. A senior Socialist source said: "It will be a straight swap. Fabius will take the party and Mauroy the

National Assembly.

spread public disenchantment and avoiding a debacle in parliamentary elections next year. Opinion polls show that the So-

Socialists in France to Swap Jobs

cialists have the support of only one in five voters. Mr. Mitterrand's personal approval rating hit a low in December and has revived only slightly. It stood at 35 percent in the latest opinion poll.

Prime Minister Edith Cresson is even more unpopular. Only one in four trusts her, the polls show. Party officials have all but writ-

ten off regional elections in March. which they expect to be disastrous for the Socialists. But they believe a hut he lacks a power base in the Political analysts said the change younger, more open image can turn party.

of generation signaled the start of a around public opinion before parliamentary elections, which be called before June 1993.

Socialist sources said that Mr. Fabius's nomination to lead the party was a result of an agreement with former Prime Minister Michel Rocard, under which Mr. Fabius would back Mr. Rocard as the party's candidate in the next presidential election, due in 1995.

They said the agreement appeared to reduce the chances of Jacques Delors, president of the EC Commission, of winning the

Socialist presidential nomination. Polls show that Mr. Delors is the most popular Socialist politician,

## A Guide to Not-So-Much Fun in the Sun

beaches and open sewers in a guide to the world's worst holiday resorts. The Consumer Association, an influential British group that evaluates products and services, has published a list to be issued Tuesday of nine resorts to

avoid from the Mediterranean to Southeast Asia. Among the places mentioned were Pattaya in Thailand, described as a close second to Bangkok as "world capital of sleaze," and Nabeul in Tunisia where the beach was "fitthy, strewn with litter and bordered hy stinking open sewers."

LONDON — A British consumer group is warning rack-like resort invaded by prostitutes, drug-dealers tourists beading for the sun to beware of sleazy sex and gangs of marauding youths who prey on vacationers.

The holiday guide, based on letters from readers of the association's consumer advice magazine, also singled out El Arenal in Majorca for overcrowding, Turkey's Gumbet as "scruffy" and Kanoni in Corfu, said to be too close to a noisy airport runway.

Other prize winners were France's La Grande-Motte, a bleak 1960s holiday development, "ugly" Quarteira in the Portuguese Algarve, and Gzira, de-scribed as the "worst slum in Malta."

But others praise the prime minister for

Marxism, to reverse its opposition to membership of NATO, to accept the monarchy

as the basis for democracy, 10 espouse anti-

inflationary economics and to support the U.S.-led coalition in the Gulf war.

a bullring full of chanting supporters with

passionate oratory. Now he remains se-cluded in the Moncloa Palace, observing to

The old monarchist newspaper ABC.

which has turned into one of Spain's most

sharply focused dailies, said of Mr. Gonzá-

lez recently that "Spain has become too

"His vision extends further," it said.

"Because of this, he is not accustomed to

go before parliament, unless it is dealing

with international affairs, nor is he worried

about the many cases of corruption in his

party. González has no problems in his

own home, and he wants to solve the prob-

small for him."

lems of others.

In earlier days, Mr. González could thrill

## SPAIN: Cracks Begin to Appear in Dream of Democracy Amid Widespread Corruption and Cynicism

(Continued from page 1) the National Library, it is probably no

and unwanted immigrants are go-

While Germany's EC colleagues

December at a meeting in Brussels to prevent the spread of weapons of the 11 other foreign ministers mass destruction, Jürgen Ruhfus,

bowed to Mr. Genscher's insistence ambassador to the United States,

that they proceed with diplomatic pointedly rejected the criticism in

recognition of the two breakaway an opinion piece in The Washing-

edged somewhat gingerly by German officials, who talk of Germanny, with its population of 78 in all fields, said this week that no

million, as having "larger responsi- one in the administration had indi-

hilities." Those responsibilities cated concerns to them about ei-

forcefully when it appears that Bonn government actions in inter-German interests are affected. Bonn government actions in inter-national affairs.

sent a note to Germany and the cial remarked, "German foreign

initially seemed to oppose recogni-

tion of Croatia and Slovenia, in

republics. Recognition will take

The new Bonn stance is acknowl-

clearly involve speaking out more

Thus when the United States

other EC members warning them

of the dangers of early recognition

of Croatia and Slovenia, Bonn offi-

cials complained sharply to Ameri-

can diplomats that they were being

singled out for criticism.

place formally on Jan. 15.

ing to pour in."

worse than in Italy. But that the government is widely regarded as being corrupt is disappointing, Mr. Fusi said, "because we believed that under the Socialists this would not happen. We expected a moralization of public life." Many Spaniards, who are among Eu-

rope's most highly taxed citizens, might

turn a blind eye to corruption if the government provided better services. "The quality of life in our country does not correspond even remotely to the ram-pant fiscal pressure on the middle class," said Pedro J. Ramirez in a book about the Socialist government. "The Rose and the

Spain's best-known philosopher, Fernando Savater, said the Socialist Party was its own worst enemy, with internal cracks

becoming increasingly evident. system and not against it."

The comic opera attempt at a military coup in 1981 - stopped largely by the moral authority of Juan Carlos - is seen in He said the law was needed to tackle terretrospect as the last gasp of discredited caudillismo. Since then the army has been profession-

alized and given a new role within NATO.

themselves in a different guisc.

They point to the law on citizens' security proposed by the interior minister, Luis Corcuera, which allows the police to detain anyone who cannot produce a national identity document and to invade private homes without a warrant.

A State Department specialist on over the weekend.

A HELPING HAND — An elderly couple stopping Monday to aid a fugitive orphan who has been hiding in a Bucharest sewer. He and other homeless sleep in the sewer and live on handouts.

GERMANY: U.S. Is Worried by New Assertiveness

they were unhappy," an adminis-tration official observed.

ports suggesting that Germany had

been less than scrupulous in trying

ton Post. Such a public defense by a

German diplomat would have been

scarcely thinkable a few years ago.

ther the style or the substance of

policy has seldom been known for

its nuance or its feathery touch.

The issue is whether the Germans

understand that they have to be a little less Germanic."

But a senior administration offi-

Last month, reacting to press re-

"There is not any question that cy were unhappy," an administration official observed.

Germany said, "On nice days I call it 'assertiveness.' On not so nice days, it's 'a more hullheaded Germany said, "On nice days I call it 'assertiveness.'

many.

The Kohl-Genscher approach to

the Yugoslav crisis and other inter-

national issues has drawn consider-

able support in the German press,

with the exception of Süddeutsche

Last week, Der Spiegel reported

that President Richard von Weiz-

sacker also had misgivings about

the government policy toward Yu-

abroad about new German might."

and be cautioned against seeking

20 Killed in Rio Flooding

The Associated Press

20 people were killed and dozens

were left homeless in high winds

and flash flooding in greater Rio

RIO DE JANEIRO - At least

goslavia. In his New Year's address to the nation, Mr. von Weizsäcker said there were "some concerns

Zeitung and Der Spiegel.

"a special role for us."

Thousands marched in the streets of Barcelona recently to protest the bill. About 200 intellectuals, judges, politicians and union leaders called it "the most serious and dangerous attack that any government has carried out against the Spanish Constitution."

With newspaper reports of people being cards, the police and the Civil Guards are mistrusted as guardians of democracy.

Juan Maria Bandres, a Basque politician

who was a noted foe of Franco's, said that Spain was in "great danger" of lapsing back into a police state because of authoritarian attitudes and the advance of tech-Nevertheless, he said, the time of coups nology. Spain has introduced vast police his boyhood friend. d'état is definitely over in Spain, and politi- and tax data bases in recent years, with cal disputes "are within the democratic little parliamentary or democratic control over their use.

Mr. Corcuera dismisses his critics as "intellectuals" out of contact with reality. rorists and drug traffickers.

posed law will not affect powerful drug barons, many of whom live in huge villas But many Spaniards are worried that old along the Galician coast and are wellauthoritarian attitudes are reasserting known to the authorities. They say the drug tion. problem, clearly visible on the streets of

major cities, is caused by the government's decision to depenalize consumption.

The drug scourge has spawned vigilante groups that beat up junkies and small-time dealers. It has also touched off a wave of attacks and discrimination against Spain's one racial minority, the 800,000 Gypsies, who are widely suspected of drug dealing but who are also major victims of addic-

The cracks in the Socialist Party have been visible since the resignation a year ago the deputy prime minister. Alfonso Guerra, who left amid an odor of scandal beaten up for failing to carry their identity but kept his position as deputy secretarygeneral of the party.

From there he has sniped at what he calls

the neo-liberalism - or capitalism - of wealth. Mr. Guerra is believed to be in- Aznar's party, and the choice that will face dresses the nation only on television. creasingly at odds with the prime minister, voters in the general elections seems largely "The silent battle of Spanish socialism

party is under way," said the magazine These strains were highlighted when the party's No. 3, José Maria (Txiki) Benegas, designation of Madrid as Europe's cultural indiscreetly talked about them on his car capital. But the critics say Mr. Corcuera's pro- radio. The conversation was recorded anonymously, disclosed to a popular radio station and broadcast around the nation.

Mr. Benegas never denied the conversa-Despite the Popular Party's victories in municipal elections last year, few believe of capitalism — corruption — with the that Mr. Aznar. the party leader, can unseat Mr. González, although some observiral said. ers say the opposition might cost the Sopragmatism and putting together one of the most solid political coalitions in cialists enough votes to force it into a coalition or a minority government.

Mr. Aznar "does not have enough weight to take on Felipe González," said Spain's history.

He has persuaded the party to accept a number of Socialist heresies: to abandon

Mr. Savater, the philosopher. "I see no alternatives to the Socialist Party at the Mr. Fusi concurred. "Aznar is a lightweight." he said, adding that "until the conservatives find a firm leader with the

authority, presence and majurity of a statesman, people will keep voting for the The Socialist Party has moved so far to Finance Minister Solchaga, while demand- the right that it occupies much of the a reporter that he has given up his freedom ing a more equitable redistribution of ground that would normally belong to Mr. so that others might enjoy theirs, and ad-

one of labels. Mr. González must call elections by between the No. 1 and the No. 2 in the 1993, but many in the country think he will call them early to take advantage of the euphoria from Expo '92 in Seville, the Summer Olympics in Barcelona and the

Francisco Umbral, a writer, suggested in

a recent book, "El Socialfelipismo," that Spanish socialism had become like the miniature bonzai trees that Mr. González tends as a hobby: increasingly minimalist. "We have managed to combine the worst

**NEXT:** Latin American relations

By David S. Broder and Bob Woodward Washington Post Service

WASHINGTON - The story of Dan-Quayle's entry into politics in 1976 at the age of 29 has been told dozens of times. In it, Orvas Beers, the Republican county chairman in Fort Wayne, Indiana, and Ernie Williams, editor of the Fort Wayne News-

Second of a series of articles on Dan Quayle

Sentinel, meet an unsuspecting Mr. Quayle—then associate publisher of the 8,300-circulation Herald-Press in Huntington - at a Friday kuncheon and out of the blue invite him to run for Cougress.

Mr. Quayle, the story goes, is thunder-struck. He has never considered political of-fice before. "You mean now?" he asks. He demurs; be must get his father's permission. The tale invariably ends with Mr. Quayle, nine months later, being handed the House seat, like so much else in his life, on a

In the popular version of Mr. Quayle's ascent, someone — an Orvas Beers or an

135

2461

II.

Ernie Williams, his well-connected father, James C. Quayle, or his powerful grandfather, the newspaper magnate Engene C. Pulliam — provides the impetus and the means for the mambinous lad to do it all.

According to this view, George Bush is Mr. Quayle's ultimate political godfather, anointmg the previously obscure senator as his 1988 running mate.

It is a nice, simple version of events. But it is largely fable. As he put it in a recent interview, you try to put yourself in a position to make decisions

and keep doors open." After graduating from Indiana University Law School, Indianapolis, in 1974, Mr. Quayle turned down job offers from law firms and government offices in the state capital, choosing instead to help run the small newspaper owned by his father in the town

where he had spent part of his childhood. The selection of Huntington, Mr. Quzyle said, "wasn't an accident;" it was a political calculation. Anti-Indianapolis sentiment abounded at that time, and Indiana, he knew, had never elected a statewide candidate from

For the first two decades of his life, Dan

Quayle did not impress anyone as a good bet to win much of anything but a golf game. His performance as a student was weak, his grades at best mediocre.

Mr. Quayle was born in Indianapolis in 1947 to James and Corinne Quayle. Jim Quayle was a middle manager with the newspaper chain owned by his father-in-law, Eugene Pulliam, first in Huntington (pop. 16,000), the Midwestern small town that Dan Onayle calls his home, and then in Arizona, where the Quayles moved when Dan was 8.

In 1963, when Dan was 16, Jim Quayle, a member of the far-right John Birch Society. bought the Huntington Herald-Press from his father-in-law, and the family moved back there for Dan's last two years of high school.

Though Gene Pulliam had made a fortune.

he did not believe in inherited wealth. Dan Quayle grew up as a child of middle-class privilege -- country clubs, but pubbe schools. His family's bomes were modest.

In high school Mr. Quayle paid more attention to politics — and to golf, his No. I interest - than to classes.

Mr. Quayle graduated from DePauw University in 1969, with a C average. It was the height of the Vietnam War, and Mr. Quayle

joined the Indiana National Guard rather than risk being drafted because, he said, he wanted to go to law school.

According to Marilyn Quayle, he had been unfocused in his life plans before then. But, she said, six months of basic training awakened him and made him say, "'O.K., now it is time for me to be an adult. I've got to decide what I'm going to do with myself, and I've got to make a difference."

Admitted to law school in 1970 despite his mediocre undergraduate record, he began to huckle down somewhat, combining classes with political jobs in the state attorney general's and governor's offices.

In 1972 be met Marilyn Tucker, who was also studying law at Indianapolis. Ten weeks after they started dating, they were married. It was in part his wife's reaction that Mr. Quayle had in mind when he told Mr. Beers and Mr. Williams, at lunch that day in Fort Wayne, "I'm really not sure that I am ready to run for Congress," adding, "If I was going to run for anything this year, I might be running for that state representative seat

But he also did a quick political calcula-

(Continued from page 1)

the United States, will have the

support of my people and the sup-

port of my party," he said.
"We'd like to be a friend in need,

and that I think will have the sup-

For all his good cheer, Mr. Miyazawa also had some tough words for the United States. He

said the current American reces-

sion was largely "attributable to such factors as heavy household and corporate debts, the banks'

general reluctance to lend, and in-

erest rates which remain relatively

high partly because of your own

Mr. Miyazawa did not promise

to fulfill all of Mr. Bush's requests.

By James Sterngold

TOKYO - Japan's finance min-

New York Times Service

ister made a surprise announce-

ment Monday that the U.S. Trea-

sury secretary, Nicholas F. Brady,

was coming to Tokyo to accompa-ny President George Bush during his visit beginning Tuesday.

The announcement triggered waves of speculation that Mr. Bra-

economy and help American com-

port of the Japanese people."

tion. Before he would risk the tougher race against Democratic incumbent J. Edward Roush, who had served 16 years in Congress, certain conditions would have to be met. He got Mr. Beers in keep tough competition out of the primary election and to guarantee him money to campaign.

Mr. Ouavle trounced his lone primary opponent 63 percent to 37 percent.

After the primary, Mrs. Quayle took control of organizing the race, though she was well along in her second pregnancy. The race was tough. It was two years after Watergate, and President Gerald R. Ford was on his way to defeat.

No one had in tell Mr. Quayle how to run against Big Government and Washington. From his grandfather and his father, he had learned that bureaucracy and regulation, taxes and spending were prime evils.

Mr. Quayle, aided by contributions from New Right political action committees, out-spent Mr. Roush 2-1 and vastly outcamnaigned him on small-town Main Streets, at Friday night football games, in the laundro-

mats and bowling alleys,
On election night, Mr. Quayle beat Mr.

BUSH: Miyazawa Pledges Concessions to 'Reward the Friendship' of U.S. Asked about American demands South Korea, the home of the U.S.

Army's 2d Infantry Division, Mr.

bush spoke in a hangar budecked in camouflage netting just 20 kilome-ters (12 miles) south of the Demili-

tarized Zone that separates North

He shed his suit coat for an olive-

drab, waist-length jacket. On one

wall hung a banner: "This Is War-rior Country." The podium was flanked by AH-! Cobra attack heli-

"We stand bere just a few miles

from the DMZ, a relic of the Cold

War, tragically separating one peo-ple," Mr. Bush told the group.

ple," Mr. Bush told the group.
"And history's verdict is in: On

freedom's side stands one of the

fastest developing countries in his-

tory. And on the other side, a failed regime that produces only misery

Mr. Bush also sought Monday to maintain the momentum that has

seen North and South Korea in the

past three weeks agree to sign a comprehensive peace treaty and ban all nuclear weapons on the

At the same time as offering

North Korea a halt to the military

exercise, he offered South Korea

and South Korea.

percent edge. At 29, Mr. Quayle was going to Congress. But that was only the first step be and his wife had in mind. Six months after he started in the House, the Quayles began plan-

ning the shift to the Senate. Birch Bayh, the third-term Democratic incumbent, was a thorn in the flesh of Hoosier

Republicans. If he could win re-election to his congressional seat in 1978 with more than 60 percent of the vote, and no other leading Indiana Republican wanted to run against Mr. Bayh, he could have a shot, Mr. Quayle reckoned. He got 66 percent.

The 1980 contest turned out to be a repeat of 1976, with Mr. Quayle charging that Mr. Bayb was out of step with Indiana after 18 vears in Washington.

The result, too, was the same: a shocking upset by the little-known Mr. Quayle of an entrenched incumbent. With Ronald Reagan atop the national ricket, Mr. Quayle defeated Mr. Bayb 54 percent to 46 percent.

It would be seven more years before George Bush gave Mr. Quayle a chance to taste adversity.

elaboraic.

ed its peaceful intent.

Daring his 42 hour say in foot

Korea, the president had been pre-

pared to announce that the United

States would raise U.S. diplomatic

contacts with North Korea to a

slightly higher level, U.S. officials

said. But North Korea asked for a

delay to consider the offer, accord-

ing to the officials, who would not

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from January 5 to February and March 8 to 29.

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Horse-drawn transportation in Cuba is becoming more common as fuel gets scarcer because of the increased rationing of gasoline.

## Castro to Recount Khrushchev 'Betrayal'

UN to Send 50 Observers to Yugoslavia

Compiled by One Staff From Disputches

But Mr. Butros Ghali said that make arrangements for this advance group, drawn from other exployment of a force of 10,000 until sting forces around the world, to for these plans from most Serbian

leave immediately.

WASHINGTON - President Fidel Castro of Cuba plans to de-liver a detailed account of the 1962 Cuban missile crisis, including the betrayal he felt when Soviet leaders ignored him at the episode's deci-

sive moment. Mr. Castro will make his presentation Thursday in Havana before a gathering of prominent Soviet. American and Cuban officials who took part in the event, which gave with a nuclear confrontation.

York -- Secretary-General Butros

Butros Ghali said Monday that he

was immediately sending 50 UN truce observers to Yugoslavia but

In a report to the Security Council, Mr. Butros Ghali said the 50

military liaison officers would

work with both sides to maintain a

cease-fire that began in Croatia on

Friday. The military liaison team

will arrive "in the next couple of

days" said François Giuliani, a UN

larger force.

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ø

Cuban officials described Mr. Castro's plans to the Americans involved in organizing the confer-

In recognition of the intimate ties that developed between Moscow and Havana for more than two decades after the crisis, Mr. Castro has generally muted his feelings about the bystander role that Nikita S. Khrushchev, then the Soviet leader, forced on him at the time. But with the disintegration of the

professor who will take part in the discussions. Castro is extraordinarily angry

at the betrayal at the time of the missile crisis," Mr. Brenner said. Mr. Castro was outraged when Khrushchev agreed in October 1962, without consulting him, to dismantle Soviet nuclear missiles in Cuba in return for President John F. Kennedy's promise not to invade the Caribbean island.

Soviet Union, Mr. Castro no longer Participants in the conference and feels so constrained, said Philip also have been told that Mr. Castro day.

In Yugoslavia, the new cease-fire

held for a fourth consecutive day

despite sporadic fighting and

doubts by Serbs and Croats near

Mr. Butros Ghali said the UN

troops would be attached to the

general headquarters of the Yugo-

slav Army and the Croatian Na-

tional Guard and to their field

headquarters down to the corps

UN plans are to send forces to

the front that it would last.

der intense U.S. pressure, to with- dy may press Japan for financial draw Soviet-supplied bombers measures to bolster the ailing U.S. from the island three weeks after the crisis ended

A conference in Moscow in Jansubsequently agreed to play bost to perspectives of that period.

lengthy presentation on Thursday weekend negotiating with the Japaand to answer questions on Satur- nese, but officials would say only

and Croatian leaders.

But Mr. Butros Ghali in his re-

port pointed to statements from certain leaders of the Serb com-

munities in Croatia" that had "giv-

He was alluding to Milan Babic,

the leader of the Serbian enclave of

Krajina, who has rejected deploy-

ment of UN troops in the territory

itself and said they could only be

(Reuters, AP)

en cause for some concern."

stationed on its borders.

#### panies doing business in Japan. Japanese and U.S. officials were uary 1989 explored the U.S.-Soviet unusually tight-lipped about Mr. dimension of the crisis, and Cuba Brady's visit and its purpose, other Japan's UN Role than to acknowledge that be was a follow-up meeting to offer its own coming, which added to the specu-

lative fervor. A senior Treasury of-Mr. Castro is scheduled to give a ficial has been in Japan since the that a range of macroeconomic issues had been discussed.

Undoubtedly, Mr. Brady's presence will add to the unusual level of ence will add to the unusual level of pressure the United States is apply-friends" of Washington had apmg on Japan to make trade concessions. U.S. negotiators are trying persuade the Japanese to establish targets for the import of American autos and auto parts, officials have

Japan has taken two macroeco-U.S. demands that the government try and reduce the growing trade surplus. In a surprise move, the Bank of Japan lowered its official discount rate in the final week of last year. That makes it easier for the United States to reduce interest rates and stimulates growth in Ja- isn't going to just happen."

For Talks in Japan pan, which will tend to increase

that Jan end its ban on rice im-

ports, Mr. Miyazawa said, "Inlisisn't an easy problem." And he was

pessimistic about increasing U.S. auto sales in Japan, noting that since Japan ended tariffs and limits

on auto imports, most of the for-

eign market share was taken by German cars.

■ Bush Reassures Troops

John E. Yang of The Washington Post reported earlier from Seoul:

Before leaving for Japan, Mr. Bush went Monday to one of the

last outposts of the Cold War to tell

about 2,500 U.S. troops clad in

combat fangues: "You have not

At Camp Casey in Yongsan,

been forgotten."

**Brady Joining Bush** 

in addition, Japan announced a budget for the coming fiscal year, which begins April I, that includes heavy public investment in such projects as new roads, bridges and sewerage systems. The United States has pressed for such spend-

ing as a way of stimulating domestic demand, also a spur to imports.

reassurances that the demise of the Soviet threat will not diminish the U.S. commitment to Seoul. Mr. Bush said he would be willing to seek better relations with North Korea once it made progress on nuclear inspections and on hu-

U.S. Is Cautious About Upgrading

New York Times Service

SEOUL - President George Bush gave only tepid support Mon-day to proposals that Japan be given a permanent seat on the United that the idea had merit but would be "extraordinarily difficult."

Speaking at a news conference in proached him about increasing the number of permanent Security Council members to reflect a world in which Japan, Germany and other nations have emerged as ecosaid. The pressure created some nomic, if not military superpowers.

confusion and rancor, as the Americans pressed to tie up a deal before
Mr. Bush arrived.

The president called Japan "an economic power to be reckoned with," but he said that elevating its UN role would require "extensive nomic steps recently in response to consultations," a review of other nations' claims to permanent status, and the rewriting of the UN

"My experience at the UN tells me changing the charter is extreme-ly difficult, but we'll be open-minded," he said, adding, "It simply

## DUE TO AN

UNPRECEDENTED START TO THE SALE, HARRODS HAS

AVAILABLE AT SALE PRICES.

## Russia Rejects U.K. Beef as Suspect

he was certain that the cease-fire

would hold and that all leaders in

Serb-occupied regions of Croatia

His envoy, Cyrus R. Vance, re-

turned from his fifth trip to Yugo-

slavia over the weekend, saying the

situation would have to be watched

carefully. Deployment of a full

contingent, he said, could take

The council was to consult on the

mandate the secretary-general can

issue later. But under a previous level

By Craig R. Whitney
New York Times Service

that he was not ready to dispatch a agreed to the UN mandate.

LONDON — There may be no meat in most Russian food stores, and prices for what little there is may be soaring, but agricultural inspectors in Moscow have turned up their noses at a shipment of 120 tons of British beef, fearing it was infected by "mad cow disease."

Instead, after hours of wrangling and telephone calls between Moscow, Brussels — the headquarters of the Enropean Community, which is providing the beef as part of an emergency food aid program for Moscow and St. Petersburg - and London, the Russians sent the Soviet plane carry-ing the shipment off to the Arctic Circle Monday. "Where's the beef?" a spokesman for the British Overseas Development Administration was asked

Monday. "In Murmansk," he answered. Apparently the Russians thought it was safe to send it there, since there are no cattle anywhere

nearby to get infected.

Properly known as bovine spongiform encepha-

lopathy, the fatal brain disorder has caused the destruction of tens of thousands of cattle in the

British Isles since 1986. So far, British officials say there is no evidence that humans can catch the disease, which causes the animals to lose control of their legs and fall to the ground, though a couple of cats are said to have shown symptoms presumably contracted from pet

But that was beside the point, British officials told the Soviet authorities: This beef was free of

"We've given them guarantees that it's been that's been cleared by the EC and cleared by us." the development spokesman said Monday. The Russians didn't listen.

Sounding distinctly miffed, the British Overseas Development Minister, Lynda Chalker, told BBC Radio that the episode was "very embarrassing."
Plans to send another planeload of 120 tons
have been shelved, an official added, and 2,200

tons that were to have gone by ship from Hull remain in cold storage.

GEORGIA: Gamsakhurdia Flees, Ending Long Siege

(Coatinued from page 1) quest for independence. But he was immediately accused by opposition parties of dictatorial tendencies and antagonized many of his own supporters by unpredictable ways and isolationist policies. The virtual destruction of one of the most beautiful city centers in the former Soviet Union is also a reminder of the political tensions

that have risen to the surface as a result of the collapse of the former Communist superpower. In the neighboring Caucasian republics of Armenia and Azerbaijan, the relaxation of central control led to an upsurge of interethnic strife. Here in Georgia, where politer of Tbilisi is much greater than strice nere in Georgia, where by the damage wrought in the center the fighting was finally over.

resulted in a civil war that pitted Georgians against Georgians.

"This is God's punishment for our political sins," said Georgi Handrava, a Georgian filmmaker, as he surveyed the smoking ruins of the parliamentary building. "We are all guilty, not just Gamsakhurdia. We are reaping the froits of our Communist history, when all political activity was repressed."

The human casualties were relatively minor, as civil wars go: 100 dead and around 400 injured, ac-cording to official estimates. But the physical devastation in the cen-

rival clans, the end of Kremlin rule of Bucharest during the December 1989 revolution against Nicolae

Journalists walking along the avenue Monday morning three hours after Mr. Gamsakhurdia's flight were confronted with desolation.

Gunfire sounded in and around the building intil mid-morning, as opposition troops fired celebratory shots into the air and bursts of bullets at real or imaginary snipers. Bearded militiamen wearing woolen skicaps and a motley of different uniforms kissed each other on the cheeks. For the most part, however, there was little sense of victory among the victors, just relief that

## MARKET: The New Arbat Grocery Shows the Way

earned over the last four months -

(Continued from page 1)

different from that at the average Russian grocery, where sullen help, grimy surroundings and unappeal-

ing displays are givens.
Skimming off the top for friends. government officials and profit tra-ditionally has been a way of life in Soviet stores — one that leaves little on the shelves for the customer. But Mr. Semenov said New Arbat was fostering a new attitude toward honesty and ownership among its employees.

A year ago, when the employees, led by Mr. Semenov, leased the store from the city government and began the move toward a market economy, Mr. Semenov held a

"I told then that when we took the shop on lease we became the masters," he said, "and we're the only ones who decide. And it's our Stealing food, wasting electricity

and water, and breaking machinery now cost them, not the govern-ment. Mr. Semenov said he believed that the logic had been per-At the same time, workers have

been given incentives that make jobs at the store highly desirable. Higher prices and profits have meant higher salaries. A cleaning lady at the New Arbai earns more than an engineer at many factories; more skilled workers earn double that, and salaries are expected to go up again this month.

Most important, Mr. Semenor was able to persuade city officials a year ago to allow the New Arbat to enter a joint venture with an Irisb company for a hard-currency store, where scarce consumer goods are sold only for convertible foreign

money. Located above the grocery, the venture has provided a windfall trip to Greece.

All of this puts Mr. Semenov strides ahead of many Russian of foreign money and expertise. Thanks to the success of the joint store directors, who are still relying venture, for instance, Mr. Semenov's grocery has a new sign, the on the government for supplies. sprightly awnings and a clean, effi-Western businessmen undercient meat counter that was imstand me better than people here." Mr. Semenov said, adding that his compatitots' ability to adjust was ported from the West. It also has about \$300,000 in the bank -

инсеттаін.

"Most of these stores are empthat will be used to purchase goods and services from abroad, accordty," he said. "Maybe they will ing to Mr. Semenov. He is planning somehow drag on in the turmoil.

a seafood department modeled on Maybe they will somehow survive."



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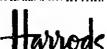
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# A House in Disorder: Legal Fight Reflects Arab-Jewish Split on Jerusalem's Future

By Clyde Haberman

New York Times Service

JERUSALEM — Avi Maoz says he has a dream. Fatmeh Ahmad Karain asks why his vision should come at her expense.

Their differences form the core of a nasty court fight that is being waged over conflicting property claims in a part of East Jerusalem called Silwan, which spreads across hills lying just below the imposing walls of the Old City.

But far more is at stake than who ultimately gets to live in a particular house in a rundown Arab quarter. The legal battle for Silwan, Arabs and Jews agree, is nothing less than a microcosm of deep-seated antagonisms over Jerusa-lem's present and its future, with delicate religious, ethnic and political considerations hanging in the balance.

It pits not only Palestinians against Israelis but also one Israeli against another over whose version of Zionism is just and true. While the conflict is hardly new, the front

crispness. At the center are the settlement policies of a conspicuously hard-nosed Israeli government that trumpets the right and even obligation of Jews to settle in every corner of the biblical Land of Israel, especially Jerusalem.

Avi Maoz, a strongly religious Jew and an ardent nationalist, belongs to an organization of Israelis known as El Ad, a name formed from Hebrew letters that stand for City of David. With government encouragement and funds, over the last seven years El Ad has quietly gone about acquiring title to Silwan properties, including the second floor of a house that Fatmeh Ahmad Karain says belongs to her.

For Mr. Maoz, Silwan is not just another Arab neighborhood. Its heart, he says, including the house that Mrs. Karain contests, is where King David built his city 3,000 years ago.

"We're tied to the past, just as the future is ded to us," Mr. Maoz said, standing outside another Silwan house recently moved into by El Ad members, who went in and ont carrying and cellular phones. They worked under the protection of Israel policemen and hired armed

"Our past as a state began in this place." be said. "This is where the kings of the House of David were anointed. It's natural that every person would want to return to the source of his existence.

It is not so natural, however, to Mrs. Karain. a Palestinian who says that she bought the bouse from ber father in 1966, a year before Israel annexed the eastern half of Jerusalem after the 1967 war and declared the city its unified and eternal capital. That annexation bas not been recognized by the United States and other Western countries.

So explosive is Jerusalem as an issue that its ultimate status has been set aside as the last item to be taken up in the painstaking Middle East peace process that is scheduled to resume on Tuesday in Washington. But the Silwan dispute has exposed so many raw nerves that

building materials and talking on walkie-talkies some Palestinian leaders insist that Jerusalem be made a priority topic at the peace table.

As Mrs. Karain, her busband and their four

children greeted the dawn on Dec. 12. El Ad members and a sizable police force pounded on their door, barged in and summarily moved the Karain family out into a rainstorm.

The same fate befell Musa Abbasi, an electric company employee who lived not far away. Since then he said Jewish newcomers have dumped his bedding, books and other belongings down a muddy hillside, and he complains that they try to intimidate him by repeatedly pounding on his door at night.

The Dec. 12 incident was preceded on Oct. 9 by another attempt by El Ad io move into Silwan houses.

"When they came in October, they were sbocked because they thought the bouse was empty." Mrs. Karain said, standing ontside the bouse she no longer lives in. "We were away visiting relatives. When they tried to storm in.

our neighbors woke up and called the police, and the police made the settlers leave."

At the time Prime Minister Yitzhak Shamir called the El Ad move a mistake. But by December, apparently driven by domestic political considerations, he and his cabinet ministers had changed their minds, declaring the housing takeover to be legal.

El Ad leaders deny that they tried to intimidate anyone in Silwan and insist that every act of theirs has been lawful. As for Mrs. Karain, they say that she may have once owned the property but that she does not any more. She was not just visiting relatives in October, they say, but was living full time elsewhere and moved back into this house only after Oct. 9.

While the courts decide who is right, the Silwan affair has focused international artention on broader policies of the Israeli govern-ment to abet Jewish nationalists seeking to move into Arab sections of East Jerusalem,

including the Old City.

Mr. Shamir and his housing minister, Ariel

Sharon, say there is no corner of the city that is off-limits to Jewish habitation. But critics, generally Palestinians and Israeli

liberals, accuse the Shamir government of methodically squeezing Arabs out of their traditional quarters, trying to "Judaicize" the city any way they can with a combination of legal maneuvering, payoffs and, now and again, ha-

In Silwan, a fairly poor section with an estimated 30,000 residents, El Ad went about acquiring title to roughly half the apartments in the relatively small area said to have been David's city. They now have 20 apartments, aithough they have tried to move into only six

Although Silwan has been an Arab neighborhood for years - it is a hotbed of the Palestinian uprising - some houses had been owned by Jews until they were forced by Jordan to leave during Israel's 1948 war of independence. That fact forms part of the legal underpinning for the

## Egypt's Fundamentalists Find Muslim Ideology Is a Hard Sell

By Chris Hedges New York Times Service

CAIRO - In a small, barren room in central Cairo, three bearded members of the outlawed Holy War organization gathered late one evening to plot the next move in their struggle to topple the Egyptian

But the giddy euphoria of a decade ago, when these men were part of a group that was linked to the assassination of President Anwar Sadat and seemed able to challenge the state, was gone. Instead they talked morosely of comrades who had died in clashes with the police and leaders who were languishing in

"The government has hit us hard," said Mahmoud. "Most people are in prison, and the ones who are not are afraid to show themselves in public. We have trouble getting supporters because people know if they follow us they will be arrested."

The Sudanese military junta has proclaimed an Islamic government, and Algeria's experiment in democracy has allowed Muslim fundamentalists to close in on power. But in Egypt, those who a few years ago predicted a flowering of fundamentalism are confronted by the reality of a movement decapitated by state

security and spinnered into competing factions.

"These groups cause me no worry," Interior Minister Abdel Halim Moussa said recently. "I know them and I am used to them. They are people searching for a

The most powerful of the groups is the Muslim Brotherhood, founded in 1928. It makes up the largest opposition bloc in the parliament along with the Labor Party. The Brotherhood has drifted in and out of legality, at times tolerated as a counterweight to the left and then violently suppressed.

Its founder, Hassan Banna, was gunned down by King Farouk's secret police in 1949. The group was outlawed when members tried to assassinate Nasser in 1954, but was granted legitimacy by the current president, Hosni Mubarak, and was allowed to field candidates in the 1987 parliamentary elections.

But the opposition of the group to Egyptian and American involvement in the Gulf war has seen the millions of dollars it received from wealthy conservatives in the Arabian Peninsula dry up. Fundamentalist

leaders say the Saudi government has even begun to deport fugitive members back to Egypt. Shorn of support from the Gulf countries, the fun-

damentalists have turned to the more stridently anti-Western brand of Islam being espoused by Iran. But this brand of ideology is harder to sell to a populace that prides itself on being among the Arab world's most cosmopolitan and that has never had much of an appetite for dogma. Recent protest demonstrations called by the Brotherhood have attracted only a few bundred people.

Muslim Brotherhood leaders complain bitterly that they are burt because the government's control of the press and broadcast outlets has prevented them from

presenting their full platform to the public. "We have the answer for everything from economics to criminals," said Moukhtar Nouh, an activist, "but the government does not allow us to talk."

There are also dozens of clandestine organizations, like Holy War, dedicated to the overthrow of the government. They burk in the back alleys of this sprawling city of 12 million and in the dirt-poor

villages in upper Egypt.

Nearly every week, there are gun battles between militants and the police. The groups toss firebombs at bouor stores and bars, attack Christian shops and rches and harass women who are not veiled.

Many young men, unable to find employment, and therefore mable to marry and raise a family, embrace radical Islam as a panacea. The fundamentalists de-ride wealthy Egyptians who vacation in Europe while

others go bungry.

The government has seized control of mosques that nurtured radical Islam and installed pro-government clerics. It has saturated so many others with informants that many Muslim militants say they steer clear

There are several thousand fundamentalists in prison, according to Amnesty International, although the government says it holds 600 political prisoners. To many in the slums of Cairo, the fundamentalists' day has passed.

The government has finished off most of them." said Zaki Mitwalid, 48, a shopkeeper in Ain Shams, a Cairo slum that has been a stronghold for Muslim radicals. "These kids are not Muslims anyway. They



THE CARDINAL AS PILGRIM — Cardinal John J. O'Connor, the Roman Catholic archbishop of New York, kneeling Monday in Bethlehem's Church of the Nativity, where Jesus is said to have been born. The cardinal also met with Israeli officials and said that relations between Israel and the Vatican, although still "complex" and "delicate," were improving.

## Israelis Show Up For Talks as Arabs **Hold to Boycott**

Compiled by Our Staff From Dispatches WASHINGTON - Israeli negotiators arrived in Washington on Monday ready to resume Middle East peace talks that are being boycotted temporarily by Arab delega-

The Syrian, Lebanese, Jordanian and Palestinian delegations sus-pended their travel to Washington, where the talks were to convene on Tuesday, to protest Israel's deci-sion last week to deport 12 Palestimians from the occupied territo-

But diplomats and officials said they expected the delay to be short and the talks to resume, possibly this week, after the United Nations Security Council had taken up the question of the expulsions.

Palestinian delegates said Mon-day that they would probably attend the talks if the Security Couneil strongly condemned the

"If the Security Council passes a resolution that goes beyond previ-ous ones, this could help us decide to go," said Ghassan Khatib, a delegate from Ramallah in the occupied West Bank.

Mr. Khatib indicated to The Associated Press that the Palestinians wanted the Security Council to go beyond past condemnations of isracti actions in occupied lands and take measures to force Israel to

reverse the expulsion orders.

Diplomats said the United States was likely to support a Security Council resolution condemning the deportations as long as it was limited to that issue alone and did not turn into a more generalized con100

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demnation of Israel. emnation of Israel.

The Security Council held private consultations on Monday with a view to a public meeting later. No resolution has been drafted. Eli Rubinstein, Israel's chief ne-

gotiator in talks with the Palestinians and Jordanians, said they should have bonored the agreement to resume negotiations on Thesday.
"We came to resume the negotia-

tions," he said. "We hope to find our colleagues and friends on the other delegation with us and start negotiations "We hope they'll be here on time

because agreements are to be hon-ored. If you agree to be on the 7th negotiating, you should be on the 7th negotiating." The three sets of talks, between

Israel and Syria, Lebanon and a joint Jordanian-Palestinian delegation, were inaugurated in November after the Middle East peace conference in Madrid. The sides met again in Washington last month but adjourned on Dec. 18 after two weeks in which little progress was made,

The deportation order has developed into the most serious threat to the peace process that was begun last year by James A. Baker 3d, the U.S. secretary of state. Israel has deported 67 Palestinians from the occupied territories since rioting began four years ago. But the last 12 were the largest single group to

be deported in that period. In Jerusalem, Prime Minister Yitzhak Shamir defended the decision to expel the Palestinians.

"I know that expulsions must deter terrorist acts," Mr. Shamir said Monday after addressing the

parliamentary foreign affairs and "Peace talks have to bring an end to terror," he added.

**Islamist Tries** 

To Defuse Feud

On British Law

LONDON - The leader of a

new self-styled Islamic parliament

tried to defuse a dispute among

British Muslims on Monday by de-

nying that he had told them to break laws they found unaccept-

Kalim Siddiqui said on television

"We would not break the law,"

(Reuters, AP)

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## Horror Stories From Foreign Laborers in Kuwait

in a Manila slum for Kuwait after hearing a refuge. radio commercial promising a good job over-

Out of work, struggling to feed her three children, the 33-year-old mother packed her bags for what she thought would be a twoyear stint as a nanny.

But when she showed up at the airport she was spirited away in a van to a bouse in Kuwait City. She would work, she was informed, not as a nanny but as a maid. Many Kuwaitis, who felt the sting of mis-

treatment by their Iraqi occupiers, have failed to translate that experience into compassion for the 500,000 menial laborers. most of them from Asia, who do everything from sweep their streets to cook their food. Once in her employer's home, Mrs. Castro was refused permission to leave for even a few minutes. She could not receive letters or phone calls, even from her family.

Her work began before dawn, when she had to clean the family cars, and ended long after midnight, with her serving food and drinks to the men of the house. If she failed to respond fast enough, she

month salary. Then, she recounts, she was raped by her employer.

She fled to the Philippine Embassy and they want to break the contract.

By Jane Perlez

usual regional diplomatic initiative for Africa, Eritreans are attempting to bring an end to the fighting in Somalia. And some Western officials believe the move may have a

better chance for success than more publi-cized international efforts.

Traditionally, African governments have

been unwilling to try to solve civil wars in

neighboring countries on the ground that

such efforts constitute undue intervention.

New York Times Service
ADDIS ABABA, Ethiopia — In an un-

And it is not just the Filipinos who have

fled. The Indian, Bangladesb and Sri Lankan embassies say 15 to 20 women a day arrive at their gates with similar reports of abuse. Foreign workers, and especially domestic servants, complain of bearings, long hours

with no time off, tardy payment or nonpay-ment of salaries, being denied contact with the outside world and sexual abuse. Mohammed Shabanan, the assistant secretary for labor affairs, said his office was looking into the activity of the many recruit-ment agencies that bring the workers into the country, but he refused to comment on

charges of mistreatment. Mir Abdel Hossain, first secretary of the Bangladesh Embassy, said, These people are exploited by unscrupulous agents in their own country and bere. They lead a miserable

"There are many reports of buman rights violations," be said, "This job of a houseboy or a maid in Kuwait is almost like slavery." The workers have little recourse if they are abused, most being denied protection under was beaten. She was never paid her \$130 a the labor laws. They must reimburse their employers for the travel and agency fees, a small fortune for them and their families, if

battles pit the forces of General Mohammed Farrah Aidid, the military leader of the Unit-

ed Somali Congress, against the troops of the interim Somali president. Ali Mahdi Mo-hammed, in a fierce clan-based, urban battle.

of Ethiopia, carried on a long war for inde-

pendence that appears to bave ended after

the Ethiopian government of Lieutenant Colonel Mengistu Haile Mariam was top-

pled in May. Eritrea now considers itself a

separate entity and plans a referendum to

legalize its secession. The Eritreans, who

Rebels from Eritrea, a northern province

KUWAIT - Edita Castro left her home that now hold 130 women who have sought or taken out loans to pay the 5300 fee their own release. charged by the agencies to those seeking "You get them a job and a week later they

> When Sunder Babu Chauhan, a 30-yearold maid from India, fell ill her employer angrily took ber to the agent who brought her into the country.

> "The agent took me to a hack room and beat me with a wooden stick," said Mrs. Chauhan, who has taken refuge in the Indian Embassy. "I was ill. For three months I had not been paid. I rented my house and pawned all my jewelry to get the money to come. If I go back to India i will lose everything including my home, but I cannot live

> The Kuwaiti government will not issue exit visas to the workers without the employ-ers' consent, even if they can get emergency travel documents from their embassies.

> The workers who fail to raise the \$1,500 to cover their employers' costs to bring them to Kuwait are often trapped, unable to work and unable to leave. In some cases the wom-en, many of whom are illiterate, do not even know the phone number and full name or address of the employer they ran away from, sending embassy staff into neighborhoods to

knock on doors. The Philippine, Indian, Bangladesh and Sri Lankan embassies try to find new jobs for

Somali fighters and the nation as a whole,

"There is an acceptance of the Eritreans. We are not an interested party," said Haile Mankourious, a senior official of the Eritre-

an People's Liberation Front, which is now

the government in Eritrea. Mr. Haile, who is

the Eritrean representative in Addis Ababa,

visited Mogadishu recently with another Eri-

trean official to talk to the two sides. He said

The move by the Eritreans, who have enjoyed good relations with the Somalis for

"We are trying to bring all the organiza-

be would be returning shortly.

tions to the same table," be said.

was given space on the floor of two rooms Many bave already pawned their jewelry those who do not have the money to buy

are back with the same stones," a labor attaché said. "It is becoming an enormous problem for us."

Abuse of foreign workers is nothing new in the emirate, which has one of the highest standards of living in the world. In 1988, the Philippine government banned agencies from recruiting maids for Kuwait, contending that many were abused. The Sri Lankan, Bangladesh and Indian governments also discourage women from taking jobs in Gulf countries, especially Kuwait.

But Kuwaiti recruitment agencies operate openly, advertise in the newspapers and have branch offices overseas. The agencies skirt the Philippine ban by promising employment in Bahrain or Qatar and sending the women on to Kuwait instead.

Kuwait, with some 600,000 citizens, has long depended on foreign workers to prop up a hormous and often indelent way of life. Before the Iraqi invasion the country had over 1.5 million such workers. Diplomats contend there are probably half a million now, and each week a few bundred are added

to their ranks. After decades of living off huge oil revenues, many Kuwaitis do not know how to cook or do simple household chores -CHRIS HEDGES

years, comes as a senior United Nations official, Undersecretary-General James O.C. Jonah, flew to the Somali capital of Mogadi-

Mr. Jonah's peacemaking attempt had the 'full backing' of the new secretary-general,

Butros Butros Ghali, UN officials said.

shu late last week.

INTERNATIONAL CLASSIFIED

(Continued From Back Page)

**ESCORTS & GUIDES** 

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news. "We are amongst the most law-abiding people in this coun-The furor erupted last week when Mr. Siddiqui, making his opening speech to the unclected said British Muslims parliament, said British Muslims

should "oppose, and if necessary dely, any public policy or legisla-tion that we regard as inimical to our interests." Most other British Muslim leaders distanced themselves from Mr. Siddiqui and the new parliament. Iqbal Sacranie, spokesman for the UK Action Committee on Islamic Affairs, which said it represented

90 percent of Britain's Muslims, said he was glad Mr. Siddiqui had retracted his statements. Mr. Siddiqui's remarks brought

Mr. Jonah met first with General Farrah
Aidid and then with Mr. Mahdi over the
ment and heightened tensions beweekend. After returning to Nairobi, Mr. tween Muslims and the rest of Britain, which have been high since the any peace efforts could be started by the United Nations. He said General Farrah Aidid had rejected the UN overtures, saying that the conflict was an internal matter.

Additional nation was a conflict was an internal matter.

And which have been night since the Ayatollah Ruhollah Khomeini passed a death sentence on Salman Rushdie, the British author of "The Satanic Verses."

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CREATING THE STANDARD IN BANKING.



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## **Inter-Korean Progress**

The lofty nonaggression treaty that the two Koreas signed last month raised the delicate question of whether the South, bemiled perhaps by dreams of unification, was becoming less than fully attentive to the perils of nuclear proliferation in the North. But Seoul insisted that the nuclear issue would be quickly and squarely addressed, and its assurances are being proven 1. The two sides have just given prelimiry approval to a joint policy barring nuar weapons and their development on the peninsula. A formal pact is being pre-

gared for signing next month. The progress made to date is impressive. and profoundly hostile and distrustful. The mmunist North ruled by one dictator corough all of its four decades, has a record i treachery and aggression. It was the rightening prospect that this outlaw state was a mere year or two away from possession of nuclear arms that galvanized South Gorea, the United States and others into year's diplomatic effort to engage this esiated defiant regime in international contacts and commitments.

This is how reclusive North Korea comes new to be seeking out internationally ac-

cepted, American-defended South Korea, which formerly it reviled as an American puppet. In place of a security policy that focuses on early acquisition of nuclear arms. Pyongyang is exploring new nonnuclear mutual security arrangements. The payoff would include a desperately needed connection to the global economy as well as at least atmospheric movement toward the common Korean goal of unification.

The American part has been to stand steady as South Korea's ally and patron, while making the tactical changes that exploit new international openings. Progress toward unification still seems difficult and remote, but opportunities to reduce tensions in the divided peninsula bave widened. In a notable initiative, the United States last year pulled its nuclear weapons out of South Korea to enable Seoul to bargain more effec-tively for nuclear denial by Pyongyang. It is the fruits of this diplomacy that are now looming into view. South Korea's friends, to say nothing of South Koreans themselves, will be especially concerned to make sure that North Korea accepts full international inspection of every aspect, known and sus-pected, of its wbole nuclear program.

- THE WASHINGTON POST.

## Japan Doesn't Kill Jobs

Americans buy much more from the Japanese than the Japanese bny from the Unitou States. Everybody knows that these buge trade deficits force Americans out of work. That is why President George Bush is leading an entourage of big shot executives to pressure the Japanese to import more goods

and thereby create "johs, jobs, jobs,"
But what everybody knows just isn't true. Trade deficits do not cause unemployment: indeed, the number of employed Americans unrelated to the size of the trade deficit. If that statement seems to contradict common sense, just recall the 1980s, when

the United States rang up \$100 billion trade deficits yet operated near full employment. Eashing Japan might make good campaign thetoric, but it is unlikely to lower the memployment rate one ack.

President Bush's promise to create jobs based on the false premise that generating exports or cutting imports is an effective way to create demand for American workers during the current recession. But the United States does not need the Japaese to create demand. The same economkick could be delivered if the Federal deserve Board were to further lower interent rates or if Congress were to reduce exes and raise government spending.

Indeed, trying to create jobs by manipu-lating the trade deficit would be absurdly difficult, requiring the restructuring of Japmese society before the recession runs its course in the next couple of months.

Besides timing, the attempt to drive twn the trade deficit would likely be selfdefeating. If Americans were to buy fewer spanese cars - which would, in turn, uire selling fewer dollars to buy yen -

value of the dollar would rise. That uld make American exports more expeneve, cutting sales. Employment in Detroit auto factories would rise, but employment

in the airplane, agriculture and computer software industries would plummet by comparable amounts. Mr. Bush would not be creating jobs, he would be swapping jobs between Detroit and Iowa.

There is a constructive spin that Mr. Bush could put on his Asian mission, but it would not pack much wallop. By blocking imports, Japan prevents its trading partners from selling what they make best. That forces them to produce more of what they make less well, lowering their living standards a bit. The higgest losers, however, are Japanese consumers — who, for example, pay astoundingly high prices for domestically grown rice that can be produced far more cheaply by the United States. So while Mr. Bush cannot accurately

promise that knocking down Japanese trade barriers will produce more jobs, be could rightly promise that it would raise U.S. living standards a tad. That is not an exciting message, but at least it is honest.

The unpleasant truth is that American trade deficits are bomegrown. They occur because Americans overconsume - buying more goods than they produce. The excess consumption comes from foreign suppliers - if not from Japan, then from Korea, Germany or Canada. As long as Americans persist in outspending their in-come, cutting the trade deficit with Japan to zero would solve nothing.

There is a serious consequence of insufficient saving, but it is not the trade deficit. A country that saves too little invariably invests too little in new machinery and tech-nology. Over time, that means slow produc-tivity growth and stagnant incomes. President Bush chose the wrong prob-

lem and offered the wrong solution. The trade deficit is not related to the number, or productivity, of American jobs.

— THE NEW YORK TIMES.

## Leave It to Afghans

Finally, 12 years after the Soviet invasion that started it all, the United States and the Kabul regime's former supporters in Moscow bave halted military aid to the opposite ides in Afghanistan. Theoretically, that should dry up the war and improve prospects for a negotiated settlement. Actually, it may mean little of the kind.

It is not just that the war disrupted traditional political lines and arrangements in Afghanistan and stirred new conflicts that remain to be worked out. It is that since 1959 the landscape of ethnic politics in central Asia has changed. With or without the Cold War, the traditional states in the region -Turkey, Iran, Saudi Arabia, Pakistan - are exercising a freer hand. The new states created out of the former Soviet Union's Muslim republics are poised to assert foreign policy interests unchecked by Moscow. There is now an independent Tajikistan, for instance, and a major faction across the border in Afghanistan is composed of Tajiks.

A few years ago, before the splintering was so lar advanced, it was possible to bope that the Afghan factions could find their own way - by traditional, partly consultative, partly combative means - 10 a new

interior balance. The United Nations was assigned to help them assemble this puzzle of moving pieces. But the task is made even more difficult by the deepening and multiplying of foreign influences that claim a role. This is a miserable state of affairs. The country is now going to be left alone by the great powers, but evidently not by others. The "Great Game" of major-power intervention is becoming a lesser game, but Afghans are still objects and victims.

Perhaps there is no alternative to further decades of instability and to a general condition in which Afghanistan will be unable to resettle its millions of refugees and rebuild a broken land. Surely it would help, however, if one principle were established above all others: Let Afghans sort out their own affairs. The United Nations has a large role in mobilizing resources for reconstruction. It cannot easily fulfill that role while the country remains in chaos, but it should be able to keep an effective spotlight on intervenors. The common goal of responsible governments should be to isolate Afghanistan and to allow it the chance to come together again in some kind of workable whole.

- THE WASHINGTON POST.

#### Other Comment

#### Russian-Ukrainian Rivalry

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The dispute over the armed forces of the former Soviet Union threatens to break up the new Commonwealth of Independent

States before it has taken shape.

The main rivals are Russia and Ukraine. Kiev does not want Moscow to take over the role it had in the Soviet Union. Moscow refuses to hand over the Black Sea fleet. including aircraft carriers, to Kiev.

One may wonder at the speed of Ukraine's display of military independence. But it is an understandable reaction to the Russian tendency to confront other states of the former empire with faits accomplis.

- Frankfurter Allgemeine Zeitung.

#### Hope in the Countryside

If Russians, Ukrainians and other nntionalities draw the proper conclusions. quick improvement in the basic food simation is likely. If enough enterprising young people go back to till the soil, they not only can feed themselves and their families but return the many abandoned villages to their former glory. No Communist country has successfully

made the transition to a free-market economy. But China and Hungary have made impressive beadway through agricultural reforms. The hope of the former Soviet republics also lies in the countryside.

- The Baltimore Sun.

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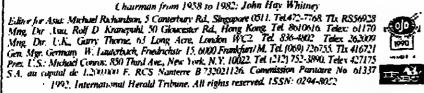
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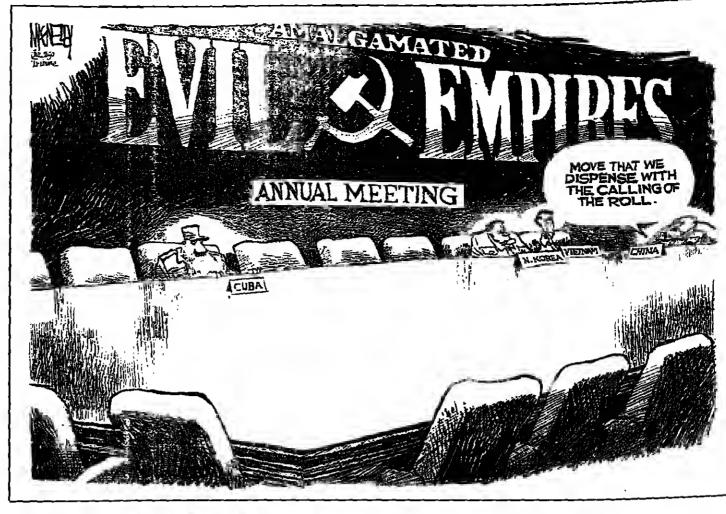
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## **Economic Shock Therapy Endangers the Patients**

By Valtr Komarek

PRAGUE - A grave error is being made in Eastern Europe and now in the former Soviet Union, one same degree of preparation that West European institutions have enjoyed? that will have enormous and dire consequences for millions of people. I am speaking of the "shock therapy" approach to economic conversion that is roughly similar to the program started last week in Russia. The shock therapy, as defined by dozens of Western armchair econo-

mists, calls for a thorough change from a command to a market economy in a relatively short time, generally two to three years. This sped up pro-cess typically involves making the cur-rency convertible, eliminating subsidies, decontrolling prices, privatizing industry and eliminating restrictions on imports. These steps, it is believed, will set the stage for future growth and renewal based on sound market prin-ciples after a brief adjustment period. But shock therapy is out of touch with reality. It ignores the impact of such an approach on the vast educated, skilled classes of Eastern Europe,

In Czechoslovakia, where radical reforms bave been in place for a year. the outcome in 1991 was a 22 percent fall in industrial output, an increase in the unemployment rate from 2 to 8 percent, an inflation rate of 58 percent, a 33 percent decline in domestic demand and a 14 percent shrinkage in the gross domestic product. Although these trends are the consequence of 40 years of Communist mismanagement, their sudden inten-sity results from shock therapy. No available evidence, statistical or

anecdotal, demonstrates that these negative trends are reversing. In fact, a strong case can be made that they are shock therapy than of structural deficiencies in the economy as a whole.

Poland, which began shock therapy about six months before Czechoslovakia, has suffered an even greater deterioration. The issue is one of time, not intent. East European economists agree on the need to establish market economies. The question is whether it should be done over two years or 10. To put matters in perspective, con-

sider that it bas taken Britain more than 12 years to make the transition from its brand of socialism to capitalism, even under the spirited leadership of Margaret Thatcher. The privatization started in 1978 bas yet to come to full fruition.

Can the democracies of Eastern Europe be expected to proceed any faster? Can public enterprises be expected to withstand the rigors of international competition without the

HILTON HEAD, South Carolina - Like jazz and baseball.

state government is an American

art form. Few other national sys-

tems allow elected provincial lead-

Shock therapy ignores the basic concepts of division of labor in an advanced society. Many people in Czechoslovakia. Poland and Russia have committed their lives to develop-ing highly specialized skills for heavy industries. Vast numbers of these people are being asked to abandon their training and experience and, without an adequate adjustment phase, take part in an amorphous "market" build-ing itself up from scratch.

In Hungary this plunge was not as painful as elsewhere in the former Soviet bloc because its economy was more geared toward agriculture and commerce. But in Czechoslovakia. whose economy is oriented toward heavy industries, this means beginning anew, without the mainstays such as capital goods and steel that stabilize modern economies. The results tear at the country's social fabric.

East Europeans need to draw on their strengths in key manufacturing sectors, such as precision instruments in Czechoslovakia, in order to join the world economy. Major industries electronics, for example - need to be protected until they have been prepared, with the help of Western technical aid, to compete. Govern-ments need to make sure that their citizens are not cast adrift.

This approach would give industries time to stabilize. It would provide hreathing space for the creation of a banking system able to channel domestic savings to support corporate growth based on market principles. Tax revenues could be funneled into infrastructure projects to huild a hospitable environment for investment, while creating jobs and nekling do-mestic demand in much the same way that public works such as building a highway system or putting a man on the moon do in the West.

Despite the gross inefficiencies of communism, Czechoslovak domesac demand was sufficient to sustain a modicum of economic well-being in 1989. Why was it insufficient in 1991? The excessive and needless damage of

shock therapy is largely to blame.

Because of the plunge in buying power as newly freed prices rose and the value of the currency fell, domestic demand has dropped by half in real terms in two years. Trade, which had have discreted toward. Carched years. been directed toward Czechoslovakia's former Soviet bloc partners, was given no time to reorient itself west-ward. Mechanisms for capital invest-

ment, mainly the various ministries. were climinated, resulting in a decline m investment of more than one-third. Not all elements of shock therapy are misguided. Allowing the currency to "float" against Western currencies to near against visual early step. But, taken as a whole, the radical approach largely eliminates the role of government in the economy virtually overnight. I know of no country that

could withstand such a shock. Shock therapy is untested beyond the economic laboratories of Cam-bridge, Massachusetts. Its vision of the market has never been completely realized in any industrialized country could bring about an awful end, particularly when one considers its cur-rent application in Russia and other ex-Soviet republics, where conditions are more complicated and serious than in Eastern Europe.

The time is at hand to rethink shock therapy. We should expand the discussions now under way with the West to address critical longterm social implications.

The writer, a former deputy prime minister of Czechoslovakia, heads the Forecasting Institute of the Academy of Sciences in Prague, He contributed this comment to The New York Times.

## Look After Ex-Soviet Nuclear Brains

WASHINGTON — The Bush administration must pay close attention to the ex-Soviet nuclear sciby regimes that have deep pockets and nuclear ambitions. Some 5,000 bave the background and training to develop and build nuclear weapons. Several reportedly bave been offered big bucks to work for Iraq and Libya.

Short of locking up all the scientists, how can well-meaning republic governments control their movements? A combination of American carrots and sticks might help prevent the bemorrhaging of nuclear expertise.

The Bush administration can provide the sticks, but only the private sector can provide carrots to scientists who are accustomed to a relatively high standard of living.

First, set up a fund for research

American business, perhaps joined European and Asian corporations, should offer incentives to prevent the specialists from being lured to countries striving to join the nuclear club. By Tyrus W. Cobb

grants. The idea is to bave weapons scientists compete for grants that enable them in use their training to find solutions for pressing issues of environmental cleanup and weap-ons disposal. Forty-five years of bomb building in the United States have left an environmental mess that may eventually require \$300 billion to clean up. The problem in the former Soviet Union may be far larger and would provide fertile ground for scientists' skills.

Second, establish a job bank. This would enable scientists to seek afternatives to the Hobson's choice of poverty in their homeland or prosperity under an aggressive regime. The job bank would include academic and research positions as well as jobs in the nuclear and related fields.

Third, set up a fund to guarantee the right of first refusal. Scientists and technicians would know that an

offer from a country interested in developing weapons of mass destruc-tion would trigger a Western counteroffer for peaceful work. (Safeguards against fictitious and exaggerated offers would attempt to prevent bid-ding wars for the specialists.) Most scientists would undoubtedly prefer a reasonable wage to spend in the United States to riches that had to be spent in Baghdad or Tripob. To ensure adequate funding, the

administration could seek tax incenrives for participating companies. If economic conditions improved in the republics, most scientists

would probably want to stay home, so the cost to U.S. businesses financing this program would be minimal. The administration could seek to

expand emigration law that gives pri-

ority to people with special skills so that it would be easy for scientists and technicians to settle in America. Emigration law could also be used to discourage scientists from beading toward aggressive regimes. For example. Washington could bar those who go to work in designated countries

from working or living in the United States (and in other Western countries that cooperated). The prospect of permanent exile in, say, North Korea would provide a strong reason to stay in Moscow. Nuclear proliferation is the dark side of the breakup of the Soviet empire. The Bush administration needs to do more to contain this threat than

burdened republic governments to keep their nuclear talent at home. American business has the knowledge and wherewithal to help The writer is president of Business

cross its fingers and encourage over-

Executives for National Security, a nonprofit organization that seeks efficiency in military spending. He contributed this comment to The New York Times.

# The Record: Kennedy On Vietnam

By Leslie H. Gelb

N EW YORK -On Oct. 11, 1963, President John Kennedy issued top secret National Security Action Memorandum 263. In it he called for stepped up training for South Vietnamese forces so that they could take over the duties of U.S. forces and thus permit the bulk of Americans to withdraw by 1965.

Based mainly on that document, Oliver Stone's "JFK" movie asks us to believe one of the great historical "ifs" of the century: that if the young president had survived through a second term, the United States would have been spared the ordeal of Iuli-scale war in Vietnam.

It is fair for Mr. Stone or anyone to take up that historical sword. But on a matter that remains so raw for so many Americans, it is gross of him to distort the record, and foolish to be so confident of decisions that Mr. Kennedy would have made in circumstances be never had to face.

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Mr. Stone makes swaggering assertions about mighty unknowns. First, he maintains that J.F.K. was going to abandon South Vietnam to a Communist takeover. Second, he tells us that right-wingers (from the FBI and ClA to the Mafia) believed this, and killed the president to put Lyndon Johnson in the White House and ensure that the United States would stay the course in Vietnam. I am competent only to address the first point.

To begin with, NSAM 263 was

grounded in one of the few periods of genuine optimism about the war. So J.F.K. bad some basis for believing that the war might be won soon and that U.S. forces could be withdrawn without a Communist victory. Put another way, J.F.K. might never have issued the directive if he had thought

it would mean losing the war.

While some officials took the directive at face value, most saw it as a Kennedy bureaucratic scheme to regain control of the leaping American presence in South Vietnam - up from about 700 in 1961 to almost 17,000 in late 1963. The idea being: In keep force levels from going up.

order them to go down.

Most officials also viewed the withdrawal memo as part of a White
House ploy to scare President Ngo
Dish Diem of South Vietnam into making political reforms. Without reforms, many officials believed, the war they thought so vital would be lost. That is precisely how the State Department instructed the U.S. Embassy in Saigon to understand NSAM 263.

The clarifying event was, of course, the coup against Mr. Diem and his powerful brother-in-law. Ngo Dinh Nhu, on Nov. I. It was fully support ed, if not inspired, by the United States in good part because of fear that Mr. Nhu was conspiring with North

Vietnam to "neutralize" the South.
In other words, the Kennedy team
felt that Mr. Diem and Mr. Nhu might be selling out to the Communists.
Whatever J.F.K.'s precise mtentions,
the removal and killing of Mr. Diem profoundly increased America's political responsibility for the war. As for Mr. Kennedy's underlying

thinking about the war, that is a .... murky matter. In the last weeks of his . life be gave sharply diverse signals as belits a president trying to keep open ... his options, especially before an elec-tion. To CBS be said: "In the final analysis, it is (the South Vietnamese) who have to win or lose this struggle. Then be added. "But I don't agree:" with those who say we should with-draw. That would be a great mistake ... "To NBC he said he be-lieved "the domino theory." whereby -To NBC he said he bethe fall of Saigon to communismwould lead to the collapse of America's position throughout Asia. Brushing aside these complica-

tions, some bave argued that Mr. .. Kennedy had gained self-confidence from successes like the Cuban missile crisis and would not bave felt the need to prove himself in Vietnam as did Lyndon Johnson. Soon after: the assassination. Ted Sorensen ... painted a more tortured picture of J.F.K.'s thinking.

"The struggle could well be, he thought, this nation's severest test of endurance and patience," the Kenne dy intimate wrote. "He was simply going to weather it out, a nasty, until dy mess to which there was no other acceptable solution."

These words carry great weight They echoed the private soul-search ing of Dwight Eisenhower and fore. shadowed almost precisely the docu-mented dilemmas of Lyndon Johnsor and Richard Nixon. These torment are not to be trilled with by Oliver Stone, or anyone, however many mer shot J.F.K. for whatever lunatic rea sons on that tragic November day. The New York Times.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

#### 1892: Garrison Fashion

BERLIN — The appearance of the German Emperor and his staff, at the issuing of the password to the Berlin garrison on New Year's Day, in the new light-gray overcoats, suggests that this garment has been finally selected for the troops, and that the old black overcoat will be abolished. Experiments have been made with various regiments during the last twelve months with overcoats of various shades of gray, which have ted to the conclusion that light gray is the color least distinguishable at a distance.

#### 1917: Tool of Morality

NEW YORK - Senator Hamilton Lewis of Illinois, an intimate friend and a confidential adviser of the President, said in the Senate: "I agree with anyone who says that the war cannot be prolonged without America being drawn into it. I do not think we shall any longer permit officers of foreign armies and diplomatic agents

to cause harm to this country and escape punishment with the excuse that officials acted with too much zeal. America's an instrument of mo rality. She cannot allow herself to be under content with excuses, and will inflic arres () in so far as lies in her power, punish ment for all damage of this kind." Regulation

## 1942: Toiling Führer

BERLIN — [From our New Yor: Publication:] War tasks have kept Führe to Cyera Adolf Hitler steadily at his beadquar to the Certain ters in eastern Europe since the Ger Thom. man-Russian campaign started, Done Scatt.

One Dietrich said today [Jan. 6], urg as happy ing "complete trust in victory. The ts. reliable to the said today [Jan. 6]. Nazi press chief's declaration we operate in Published in all German newspaper Aphere Der Führer has been devoting he court and life entirely to the solution of gigant ir. Bush calcal leases. The enormous burden of wor resting on Der Führer's shoulde im. He take by he made it even impossible for him spend his Christmas amidst h troops in the foremost front lines."

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ers to command the powers and the responsibility that voters accord the 50 American governors. They are globally a rare political species. from Washington in the 1990s. Mr. Clinton was one of a handful Governors were gods in the Old South of my childhood, and in different ways in other regions as well. They fashioned their manues from the threads of states' rights or pre-

cinct politics, and hurled thunderbolts at outside agitators and bureaucrats who sought to change the way they ruled their people. Presidents were allies or nuisances, but not political sovereigns. That was then. Now, in a time of recession and slipping national confidence in the future, statehouses are

the focal points for difficult and often unpopular decisions on taxes. jobs and community services. Electorates refuse new taxes and the federal government downloads as many of its burdens as it can to the states. Last year 37 of the 50 state chief executives had to confront the likelibood of substantial budget deficits. while their constitutions forbade them to run any deficit at all.

This was the kind of dilemma that Mario Cuomo said prevented him from running for president. In contrast, success at managing the new pattern of shrinking resources and rising demand at the state level powers Bill Clinton's serious run for the Democratic nomination to oppose President George Bush.

The contrasting examples of

statehouse activism that Mr.

Cuomo and Mr. Clinton provide

By Jim Hoagland

Clinton: A Governor With a Future

Bush administration mean that the key decisions and innovations for America's post-Cold War national agenda are likely to come again out of the state capitals rather than

of current or former governors who left political consultants and pollsters at home and brought their families to this coastal resort during the holidays for a long weekend of relaxed conversation on America's future, reflection on practical poli-tics and some golf. They mingled with about 100 business executives. academics, jurists and other professionals who with their families were invited to this low-key seminar. The problems of the states dominated the informal exchanges.

At 45, Mr. Clinton has been governor of Arkansas for more than a decade. His engaging, genuinely open personality and his experience at the state level present it total contrast with the touchy, consummate Washington insider he wants to succeed in the White House. That contrast, it seems to me, is both Mr. Clinton's chief strength and his chief visible weakness in this particular election year.

After Jimmy Carter, is America ready to risk another nationally inexperienced, centrist and Southern president? That is the question that Mr. Clinton's chief primary opponents will suggest, and that Mr. Bush would toss at him like a hand grenade in a general election campaign. This governor, so different from Mr. Carter, has to be able to and the domestic passivity of the disarm that question to win. He has

given a series of detailed campaign speeches to dispose of the "Where's the beet?" question early, but he has been only partly successful. fu conversation, he seems to be

still feeling his way on the details of

foreign policy. He shows none of

the stiffness and stubborn assuredness of Mr. Carter on world politics. But he brings an impressive edge and conviction to even the most relaxed discussion of what needs to be done to train and educate America's youth for an internationally competitive future. Despite a formative experience as a Rhodes scholar, Mr. Clinton is the product of an American system that railors power to human dimensions at the state level. One

of his colleagues here told of ask-

ing a group of senior citizens why

they were besieging his office to protest a cut in federal benefits.

The answer: "We came to see you because you are bere." Mr. Clinton has spent his politi-cal career in that "here" — that is, in his state capital. That could count decisively against him in a run against Mr. Bush, who will legitimately spotlight his record as a war hero both as combatant in World War II and architect of Operation Desert Storm.

Even if he accomplishes nothing else this year. Governor Clinton has established himself as an important force for the national future. As Washington pushes more and more of the challenge of governing down to the states, the leadership that Mr. Clinton is demonstrating in Little Rock, and that others show in other states, has to become an overwhelming asset in 1996 and beyond.

The Washington Past.

#### **OPINION**

# Democracy, Then Human Rights

WASHINGTON — Freedom House and Human Rights Watch invite us to consider whether history is not in fact sweeping us into a grand new era — and whether the American government is

doing enough to help history along.
To the first question Freedom House carefully says yes, to the second Human Rights Watch sharply says no. In the tension between them —between the Qs as well as the As - lie some of the United States' most difficult policy choices of the '90s.

To observe, through Freedom House's annual Survey of Freedom in the World, the global progress of democratic govern-ment in the last three years is to realize that we are lucky enough to live in a special time. The progress is neither complete nor irreversible, but it is broad and steady and heartening. It suggests that freedom, defined mostly as electoral democracy, is not culture-bound but is accessible to almost everyone, that it is a universal value, not peculiarly Western.

Not that Freedom House, in its pride

in its product, is at ease about the pros-pects. It wornes about backsliding, distractions and slowdowns. R. Bruce McColm, the group's director, warns that for all the good it has brought, termination of the Cold War does not dissolve the social conflicts and conditions that have "shaped the contours of debate and war over the past 75 years."

On the contrary, the collapse of com-munism and of authoritarian states around the world is releasing "longrepressed ethnic and national antagonisms rooted in a longer historical

By Stephen S. Rosenfeld

memory." Exhibit A is Yugoslavia. A bit more hopefully, however, Mr. McColm suggests that even more is going for phiralistic democracy than the fading of Soviet power and ideology. There are "impersonal historical factors such as the integration of the global economy, the cross-boundary appeal of new information technologies and the growing desire of nation-states to become reintegrated into larger regional economic and political commu Exhibit B is China, whose (partly) liberated economy is at war with its represpolitical self.

All this bears on the role of U.S. foreign policy in advancing the cause of freedom. America's role can be distinguished from the general march of history and from the independent ways in which American business, American technology and American society act in the world.

Freedom House tends to put responsibility for moving to democracy on the people and leaders of a given country, on its own institutions and politics. Its traditionally liberal premise is that while various things can keep a society down, societies finally pull themselves up. Cer-tainly this is the lesson to be drawn from the former Soviet bloc's transformation in the last few years. Human Rights Watch takes another

tack. Its concern is human rights - not the same as democracy. Democracy cen-ters on procedures and institutions for choosing governments. Human rights

centers on performance of governments.

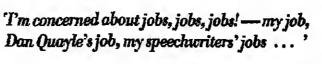
As the example of Third World counties like El Salvador shows, a democratically elected government can have great trouble ensuring human rights.

But to go on from there with Human Rights Watch to dismiss a focus on elected governments as mere "electoralism" is low and unfair. In many cases, these are precious and hard-won gains. Elections establish the grand principle of accountability. First you must have an electoral system, and only then can you improve the elected government's performance and extend its reach over other, resisting sectors of the society, like the military or the economic elite.

Human Rights Watch finds the Bush administration selective on enforcing human rights abroad. The administration pushes hardest, it says, where the effort is "cost- and conflict-free" and does not bump other American interests.

You can agree with this proposition and think that the administration is soft on human rights in places like China. and still grant that selectivity is not a high crime but a necessity of gover-nance. There is a time for hollering and a time for mumbling — and a constant requirement to identify the difference.

You can also take a certain cheer from the observation that the progress of civic virtue in China and similar retrograde places does not depend entirely on the ardor of the U.S. government. Americans have a part, but so do the Chinese, and meanwhile those "impersonal factors" of living in the modern world are at play. The Washington Post.





## Catching the Spirit of Rio, The City With Other Ideas

By Julia Preston

ably steamy December day. At the counter window you are greeted by a teller dressed in a Rio de Janeiro husiness suit. That is, she is wearing shorts cut from a gray tweedlike cloth that barely reach the top of her thigh, and a broad-lapel jacket buttoned at the waist with nu blouse, only an extensively revealed and revealing black lace bra.

If you are new to Rio, you must be

MEANWHILE

careful not to show any surprise. The only ogler in the bank line will be you. Observers of Rin's illustrious annual carnival cannot fail to note the tendency of cariocas, as Rio residents are called. to gravitate toward nakedness. But carioca informality goes beyond displays of corporeal endowments. Although Rin, with its population of 11.4 million, is the world's 10th-largest city, its residents are peculiarly reluctant to adopt conventional rules of civilization. Rio is a city in form, but nut in spirit.

Perhaps this is the result of its setting. Much of Rio is squeezed in among rocky hills so precipitous that no one can live on top of them. On the south it is bound by surf-battered beaches, and from its heart rises Tijuca National Park, a vast and

What's Good for America

As an American consumer and taxpay-

R IO DE JANEIRO—You walk into tenebrous tropical forest only minutes from downtown. From nearly every vantage point there is some visual reminder that the state of nature is not far away.

Just behind the skyscraper at Rit Sul, a sleek office building and shopping mail that is a monument to Rio's modernity, wild goats graze on a steep slope. Rio is also inhabited by a variety of snakes, which can turn up twisting languorously around the planted palms at

apartment building entrances. Urban mores never prevail completely. In Ipanema, the swank beach-sid: neighborhood, the sidewalks of the frenetic business district are shared by crisp executives with ties and briefcases and barefoot surfers clad only in the briefest swimming briefs.

After the summer rains end in April. the hills above Rio are engulfed in tall plants that flourish in moist heat. To control the overgrowth city workers often resort to an approach to landscape management that has gained Brazilians global notoriety: They burn. There is no reason to be alarmed when an entire hilltop above a crowded residential community becomes a cracking torch, illuminating the evening sky.

Though countless cariocas require cars to get around and are renowned for their homicidal driving, they resist institutionalizing the dominion of the antomobile. For example, they don't like to put road signs on highways. City streets, even this cure cul-de-sacs, are carefully identified with ceramic plaques and heroic ritles. But on the main artery out of Rio, the only turnoff onto the expressway to São Paulo is not marked.

Similarly, in the center of Rio sits the Maracana soccer stadium, said to be the world's largest, with room for 200,000 spectators. It has oo parking lot. Fans park in surrounding avenues, knotting traffic in every direction for hours. No one seems to think it should be otherwise.

One local resident who personifies the carioca disdain for conventional citification is a taxi driver. J. Moura, better known as "the Kisser." For the past decade, Mr. Moura has made it his business to try to sneak past the security guards of most of the major figures who have appeared in public in Brazil, in order to plant a long, loud kiss on the personality's cheek. He began with Frank Smatra in Maracana stadium in 1980. Soon after, he struck again with Pope John Paul II but, out of respect, limited himself to kissing the pontiff's feet.

Bishop Desmond Tutu and the rock star Peter Gabriel have been kissed, along with many of Brazil's prominent politicians. Most recently the kisser was arrested moving toward the generous jowl of Luciano Pavarotti. Baffling security contingents is a key part of Mr. Moura's campaign. The more the burly bouncers try to impede his displays of affection, the greater the triumph of a successful smack. In writing about Mr. Muura, the Folha de São Paulo newspaper noted that, consistent with the carioca style, in Brazil the serial killer has become a serial kisser.

The Washington Post,

#### LETTERS TO THE EDITOR

#### The UN Guards in Iraq: A Model for Relief and Security

In response to "How the United Nations Can Break Up Civil Wars" (Opin-ion, Dec. 31) by Brian Urquhari:

Brian Urquhart, one of the fathers of United Nations peacekeeping, tren-chantly addresses the continuing mabil-ity of the United Nations to help put an end to the bloodshed and devastation engendered in current civil conflicts.

To the three options he lists - traditional peacekeeping, collective enforcement under the Charter's Chapter VII, and "armed police actions" under Article 43 - I would like to add a fourth: the deployment of United Nations Guards, an alternative by now well tried and

tested in the crucible of postwar Iraq. The guards contingent formula was designed to meet a complex tissue of humanitarian, security and political challenges - a daunting mix of circumstances that we see reflected in other crisis areas today. Massive relief was needed urgently in Iraq but its provision was both ineffective and insecure in conditions of civil war. The departure of the coalition forces from northern Iraq was viewed with great trepidation by the Kurds, yet recourse to peacekeeping un-der the Security Council was not considered politically viable.

We had to improvise. The aim was a degree of security without the Security Council, of peace without peacekeeping, of international action without interven-

By Michael Richardson

SINGAPORE - Greater cooperation from

Hanoi and pressure from the American busi-

ness community for access to markets in Indo-

china are prompting the United States to has-

ten the ending of its long feud with Vietnam, analysts said Monday.

companying President George Bush on his

Asian tour expect him to authorize the lifting of

a 1964 trade embargo against Vietnam within nine months, to be followed by diplomatic

Such a move would be welcomed by noncom-

munist nations in Southeast Asia. They are

encouraging free-market changes, trade and investment in Vietnam so that Hanoi will con-

tinue to develop ties with the region and dispel-

Until recently, analysts suggested that the

Bush administration would be unlikely to establish normal relations with Vietnam before

the U.S. presidential elections in November for

fear of upsetting Vietnam veterans and relatives of U.S. servicemen missing in action.

least until 1993 to fulfill two conditions set by Washington for normalization, the full ac-

counting for MIAs and full cooperation in

However, in what appeared to be a sign of only 82 MIAs remained unresolved.

Analysts believed it would take Vietnam at

several decades of mutual hostility.

settling the Cambodian conflict.

recognition.

Some U.S. officials and business leaders ac-

mal Herold Tribune

tion. The guards' mandate bridges the

chasm between relief and security.

Assigned to protect UN personnel and resources, they observe monitor and report throughout their areas of deployment. They have come to constitute a crucial stabilizing influence. The eyes and ears of the United Nations, they assure a highly recalled interestical. they assure a highly visible international presence and attention.

What began with a mere 10 guards and a solitary UN flag at a camp at Zakho close to the Turkish border eight months ago has evolved into a well-established, 500-strong contingent of 35 nationalities. The experiment has proved its worth.

North and south Iraq remain volatile in the extreme, but 1.8 million refugees have returned across the borders and vast quantities of relief supplies have been provided, in both cases safely es-corted by the guards. Their assignment is accepted by all sides and considered indispensable by UN agencies and nongovernmental organizations as well as by the Kurds and others assisted. Conditions in Iraq in the aftermath of

the Golf war are an generis, but the innovation of the UN guards meants serutiny for emulation elsewhere. Indeed, the concept was recently considered by some for Dubrovnik, but was set aside in favor of the larger peacekeeping option.

Possible permutations on the formu-

**GENERAL NEWS** 

U.S. Warms to New Ties With Vietnam

Analysts Cite Cooperation in Hanoi and Pressure From American Business

U.S. readiness to proceed more quickly, Mr. Bush said in Singapore on Saturday that the

United States, after being "strong, determined

and patient, finally can entertain realistic hopes

of building lasting ties of interest and affec-tion" with Cambodia, Laos and Vietnam.

Mr. Bush announced that Washington was

lifting a 1975 trade embargo on Cambodia to

hasten the process of economic reconstruction

and political reconciliation under a United Na-

He said that the United States was normaliz-

Mr. Bush noted that the Association of South

ing ties with Laos and had begun to move along

Fast Asian Nations - Brunei, Indonesia, Ma-

laysia, the Philippines, Singapore and Thailand
—was "trying to help the former Communist
states in Indochina reintegrate themselves in a

world that respects free markets and free peo-

embargo imposed on Vietnam was imminent, Mr. Bush said it would be "a little premature to

The United States, he said, first wanted "to-

tal assurance that we know the fate of every

The U.S. Defense Department lists 2,273 servicemen unaccounted for in Indochina. But

a spokesman for the U.S. office in Hanoi trying to settle the issue said recently that the fate of

American" missing in the Vietnam War.

Asked in Singapore if an end to the trade

a similar path with Vietnam.

answer in the affirmative."

tions peace plan signed in Paris in October.

la could include its adoption by the Security Council, entailing the imposi-tion of guards with an added political impact. In Iraq, however, the contingent is fully integrated in the humani-tarian program and deployed with the concurrence of the government

The mere deployment of guards will be no panacea for the strife born of ancient resentments, of rights long de-med or ethnic rivalries rekindled by economic deprivation. Whether in Iraq, Yugoslavia or Somalia, guards or peacekeepers can only be an element in a broader political package - they are no substitute for a solution.

Yet they can help to contain conflict and create confidence. They set a climate within which aid can be delivered; indeed, guards could become a standard component of humanitarian assistance. Where existing structures fall apart, even a small international presence forestalls a dangerous vacuum. And to bring relief to those yet to benefit from the "new order." we have to try every new approach that international ingenity can devise.

SADRUDDIN AGA KHAN. Geneval. The writer, former UN high commissioner for refugees, was the secretary-general's representative for humanitarian efforts in Iraq.

#### Ask the Irish Question

Other European countries use the refcrendum, why not Britain? How about calling for a vote on the Irish situation? It would be democratic and enlightening to see how the average Englishman, Scotsman or Weishman feels on the subject. G. C. SALLAD.

#### Von Habsburg's Beliefs

As one of the few surviving Jewish university professors in my field in Austria, I wish to comment on a reference to Otto von Habsburg ("Serbs May Try to Kill Genscher, Germany Says," Nov. 29) as "a rightist member

of the European Parliament." Otto von Habsburg was regarded as Public Enemy No. 1 by the Nazi regime after the German takeover of Austria. I remember seeing his photo outside po-lice offices, with the legend, "Wanted for Treason to the German Reich." A price was set on his head and on those of his family members. He narrowly escaped being arrested by the Vichy police during his flight from Belgium to Portugal and the United States.

In Tonlouse, he had the courage tu interrupt his dangerous trip to help thousands of stranded Austrians of my religious faith and many socialists who were interned there. He had inherited from Emperor Charles the position toward minorities and different ethnic and religious groups that Emperor Francis Joseph displayed when he referred to anti-Semites as "a plague."

I am always cautious about using terms such as "rightist" and "leftist," which can smear the reputations of honest and heroic people, whatever their political convictions may be.

THOMAS CHAIMOWICZ.

#### An Apt Appreciation Regarding "King of 'Fraits Confits' (Leisure, Dec. 27):

After two years of searching, we chose to settle in the outskirts of Api because it encompassed the charm and hospitality of Provence and the scenery of the Luberon. Far from being "cheer less, sinister" and populated by "left-over hippies," it is a hustling, prospertrus, self-supporting and attractive small town with old buildings, restored plazas, pedestrian streets, and plentiful trees and parks. Unlike so many nearby villages and towns, it does not live off tourists. A big Saturday market, a fine Romanesque cathedral and cultural activities are supported by the residents. Many artists live and work here, in what unce was the capital of Provence; their works are exhibited throughout Europe. We are free of purse-snatchers, beggars, car thieves, drug addicts and hippies, but have lots of cheerful, friendly people who welcome visitors

12 months a year. THOMAS ROSENBERG. Apt. France.

er, I am outraged that U.S. car manufacturers are accompanying President George Bush to Japan at public expense. f feel betrayed as a consumer because the automakers hope to restrict imports of Japanese cars. These are high-quality, high-value products that enrich Ameri-cans' lives. I feel betrayed as a taxpayer because U.S. executives are paid far more than their Japanese counterparts; neither they nor their firms need government charity. What's good for General Motors is not necessarily good for America. STEVEN GLICK.

Bruges, Belgium.

#### and That's a Long Time

At the beginning of his current tour, President George Bush told the Australians that "we will stay involved right up until the very end of eternity." An immortal phrase if ever there was one. ANDREW DAVIDSON,

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# Senate Panel Will Press the POW Issue

WASHINGTON - State Department officials are expected to meet this week with Major General Oleg D. Kalugin, the former KGB officer who reported in October that Soviet officials interrogated American prisoners in Indochina after the time that Vietnam said it had freed them.

General Kalugin, who has already been interviewed in Moscow by U.S. Embassy officials, is also expected to testify in the next week or two at a closed session of the Senate Select Committee on POW-MIA Affairs.

This week, the panel will begin interviewing former intelligence agents or servicemen who had access to secret information in the 1960s and 1970s and who have reportedly offered to testify that the United States knew more about the location and fate of missing Americans than subsequent administrations admitted

Some members of Congress predict that the panel's findings will move the U.S.-Victnam relationship from the foreign policy arena to domestic politics.

Representative Robert G. Toricelli, Demo-

that the issue would be brought up in this presidential election year, and that this would not be confined to the campaigns of rightist Republicans who want to continue denying recognition to the Communist government of

U.S. officials have insisted that progress on establishing relations with Hanoi would depend on Vietnam's willingness to furnish information about 2,273 Americans who officials say remain unaccounted for. They are listed in records either as prisoners of war or

On Friday, the State Department said it had supplied a list of names of missing servicemen to officials of several former Soviet

Richard A. Boucher, the deputy State De-partment spokesman, said leaders of one of those, Kazakhstan, had offered to allow U.S. officials to visit a high-security military in-stallation at Sary-Shagan, 245 kilometers (150 miles) northwest of Ahma-Ata, the Kazakh capital, to investigate a report that American prisoners had been taken there

Hanoi, stung by the allegations that it held Representative Room of the would guarantee American prisoners after the 1973 withdraw-

al and the fall of Saigon in 1975, told a visiting American congressman on Friday that investigators should come and see for themselves that the charges are not true. "They flatly denied these, as expected,"

In April 1991, the United States laid out for

Vietnam a step-by-step program of normaliza-tion in exchange for cooperation by Hanoi on MIAs and on Cambodia. An official traveling

with Mr. Bush said the United States was

"ready to move on as quickly as the Vietnamese

The U.S. embargo blocks all American business dealings with Vietnam. It also bars loans to

Victnam from the International Monetary

ment they will help bring in, Vietnam faces an uphill battle in restructuring its economy along

The U.S. business community wants to see

U.S. businessmen in Asia have complained

that they are losing sales and investment oppor-

mnities in Vietnam to competitors from other

countries that are not constrained by an embar-

Bush's main objectives on his Asia tour.

Promoting U.S. exports has been one of Mr.

C. J. Silas, chairman of the U.S. Chamber of

Commerce, said he was encouraged by Mr. Bush's comments on Vietnam. As a result, he

said, the normalization process might proceed "a whole lot more rapidly than we might have

the embargo on Vietnam lifted as soon as possible, said Maurice R. Greenberg, chairman

of the U.S.-ASEAN Business Council.

Without those loans and the foreign invest-

can move with us."

Fund and the World Bank.

market-oriented lines.

Representative Stephen J. Solarz, Democrat of New York, said by telephone from Bang-kok after leaving the Vietnamese capital. They are still bopeful of better relations with the United States. But a lot depends on how convincing the Kalugin evidence is." ■ Conflicting Statements A former KGB agent denied Monday that

be had questioned several American prison-

ers of war in Vietnam after the war ended.

The Associated Press reported from New The former agent, Oleg Nechiporenko, said on NBC-TV that he interviewed a single American, in 1973, the year the North Viet-

namese released American POWs. Mr. Nechiporenko was interviewed sitting next to General Kalngin, who had said that at least three American prisoners were questioned by Soviet agents in Vietnam in 1978. He said Mr. Nechiporenko was the source for his information.

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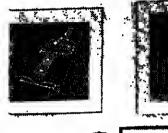
## On Knickknack Front: Cold War Collectibles

By Patricia Leigh Brown
New York Times Service

EW YORK - The Cold War ends. A new collecting opportunity begins. History take note: Norman Brosterman, lone devotee of the

At the "Modernism" antiques show in Man-hartan last fall, Brosterman showed the world the meaning of modernism, as defined by Nor-

While other dealers gloated over their Stickley and Art Nouveau, Brosterman showed up with paintings of enemy missiles zooming over Wash-







Brosterman with space souvenirs.

ington and mannequins in NASA helmets and space suits decked out for the space race. "Courreges?" a passer-by asked, looking at one of the

A 39-year-old Manhattan antiques dealer, Brosterman was feeling a bit philosophical as he looked over his collection, which includes a hronze ray gun, a wooden model of a thirdstage rocket and moody landscape paintings that forsake willows and waterfalls in favor of searchlights, missiles and mushroom clouds. "There's something sweet about it," be mused. "The Cold War is already looking antique."

If his sales at the "Modernism" show are any indication, Brosterman is either out of his mind or ahead of his time. But be is unwavering in his belief that the 20th century will be remembered not for uncomfortable furniture but for "the big idea," or what he described as "the great big dream of breaking away and leaving the planet

For him, the enduring imagery of the century is to be found in a pair of low-tech Project Gemini space gloves with light bulbs on the fingertips, and in eerie paintings of nuclear devastation and futuristic cities-of-tomorrow

Paintings by Alexander Leydenfrost, Ray Pioch, Chesley Bonestell and other artists who vorked from the early 1900s through the 1960s and drew evocative renderings of the future for publications as diverse as Life and Mechanix Illustrated are more than pretty pictures to

This little-known genre of art and design which flourished among artists and designers long before much of it became reality, does not have a name. For now, Brosterman is calling it "The Art and Design of the Techno-Future."

The themes range from the Red Menace to the exploration of the solar system, but they share a celebration of technology and what Brosterman calls a gee-whiz vision of the fu-

Today, the hyperbolic imagery of the Cold War seems particularly distant, glinting in the memory like a meteor in the sky. "Missiles! Plutonium!" Brosterman exclaimed. "So much anxiety! So much money!"

Some of these artists, coincidentally, will be included in the exhibition "Blueprint for Space: Science Fiction to Science Fact," which opens on Jan. 14 at the IBM Gallery in New York.

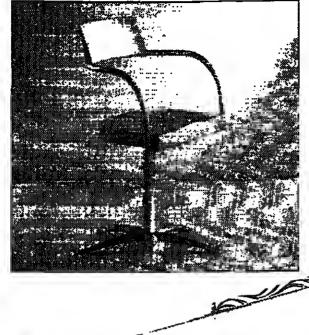
Brosterman, who practiced architecture until the early 1980s, achieved a bit of fame several years ago for his extensive collection of archi-tectural building blocks, which are now part of the permanent collection at the Canadian Centre for Architecture in Montreal. He said he learned more about modern design from those toys than in architecture school.

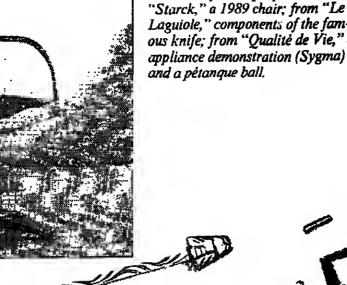
Now a part-time sculptor, Brosterman stum-bled onto the Techno-Future while attending antiques auctions and browsing at flea markets. "The architect in me was always looking at drawings and technical things," he said.

Several years ago, he started noticing a type of modern art he had never seen before. T didn't know what it was, exactly," he said. "It had a certain take on the 20th century, but it wasn't a movement I had heard of."

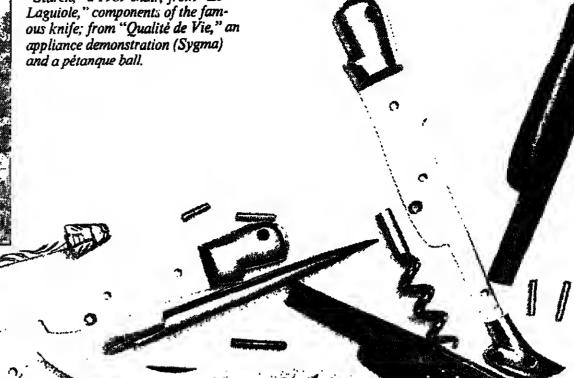
Brosterman began buying, selecting draw-ings, paintings and sculpture he deemed iconic. He has procured material from the artists themselves and from advertisements in the back of comic-book collector magazines.

Among his prized possessions are a pressurized right-hand Germini spacesuit glove that is marked "Size; Shepard"; space suits made for Gus Grissom and Edward White, and a Project Mercury helmet, which he said was bought from a dealer who bought it from a friend of an astronaut. The space suits are for sale for





Clockwise from top left: From





# Name-Brand Mania: Objects and Designers

By Katherine Knorr

ARIS - It's become a cliché to say that the 1980s were the greed decade and so, in another context, the designand so, in another context, the design-er decade, but it would be nice indeed to think the '90s might be the generic decade, when you won't have to read other people's jackets, purses or shoes, or buy kitchen appli-ances that seem to come out of Star Wars. After all, haven't we all been ralphlaurened and phi-

Well, dream on. Still, there seems to be a sense in the design marketing biz that enough is sense in the design marketing but that chough is enough, the customer is tired of being a walking ad, good old-fashioned quality (or a close enough imitation) sells, the "real thing" and everything vaguely "ecological," which has brought new fame (minerals as knickknacks and so on) to the French company Deyrolle, which is, after all, a taxidermist.

The bookstores are still full of all those holiday-timed books - and some of them are on sale now — giving us a glossy glimpse into the uninhabited houses of people who are brand names and share with us their Louis XV chairs and Mondrian walls and 19th-century bathroom fixtures like so many other brand names, with just the right light through the velvet curtains and the fruit looking like faïence. What we need is the anti-coffee table book.

Since the art of marketing "design" is to make you feel you're putting down your good money not for coffee cups but for an act of creation, the lines between "writing" about design and just plain advertising copy are pretty bopelessly blurred. Cheerfully ignoring the problem, a French journalist has just published

"history." Some have indeed become icons, like the Solex, which is no longer made, but others just seem to be one brand among many, and so we boh along from the sublime to the ridiculous, depending on your perspective, but with a true taste of France. "Qualité de Vie: Objects des Valeurs Quotidiennes," by Ermine Herscher, Editions du May.

For another taste of France, a beautiful little book celebrates the Laguiole knife, All lovers of French high-quality artisanship will cheer the famous knife with the bee motif that originated in Laguiole in the Auvergne. Caveat emptor, this book is about the Laguiole (registered brand) knife (other brands exist) and celebrates its coming back to its artisan roots and - this would seem completely inconsistent - the designing of a new factory by the ubiquitous Philippe Starck. Some years ago he designed a knife as well, and so we have not the Laguiole. but the Starck Laguiole. The factory has a big knife blade sticking out of it. The most beantiful pictures are of old Laguioles. So it goes. "Le Laguiole," by Philippe Saglio and Philippe Wolff was produced by Philippe Saglio and independently printed. The ringbound, boxed book can be found in specialist bookshops.

Which brings us to Starck himself, a brand name if ever there was one, who has just brought out his complete works. Here is the Café Costes and the Royalton Hotel, the weird chairs, the flame motif, and of course the mutant-insect lemon-juicer and the perilouslyleaning kettle, now to be found in the windows of every housewares shop in Paris and a whole lot of others around the world. Last but not least is the Starck toothbrush, which comes with a little holder, making it look for all the world like a dollhouse toilet brush. This book is a curious little book, an ode to brand names, to the humdrum, the practical and the discardable, with lovely black-and-white pictures by François Boissonnet and a quirky and none-too-successful attempt to give all these things a

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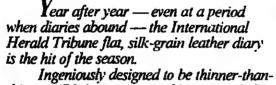
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#### STYLE MAKERS

**Daniel Beranger** DRESSING THE NEW EAST

ARIS — The last thing anyone was thinking about in Prague in December 1989 was what to wear. This was the month of Czechoslovakia's Velvei Revolution. But one resident of Prague had already started designing clothing intended to see the Czechs

into their hrave new world. When I first moved to Prague, the idea was that I would be designing and producing clothing for export, but after the revolution I saw that there would be huge opportu-nities there, as well as in other former Eastern bloc countries like Poland and Hungary," says Daniel Beranger, a 41-year-old French designer who has worked in fashion for more than 20 years, lived in Prague for four, and who aspires to becoming the most important de-

signer in the former Eastern bloc. "The Communist government never conceived of clothing in any-thing other than functional terms or as an export needed to obtain other necessities. Czechoslovakia

HANAE MORI

SALES

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Russia in exchange for gasoline. So styling didn't matter and the main fahric was polyester. Suddenly, want the luxury of choice and they want the luxury of choice and the type of clothing they see in the West. They can't afford to import clothing, though, so it must be domestically produced and that's where the real challenge comes designing affordable contemporary clothing for people who have lived in an almost total fashion vacuum for nearly half a century."

Beranger has not abandoned plans to export the Czech clothing he designs, however. "East and West hoth hasically want the same thing - good quality, well-styled basics with some subtle personality and an aura of luxury — but of course for different reasons. My clothing seems bold to the Czechs and very classical, but with a twist, to Westerners. And people in the West are a bit burned out on fashion, while in the East they are still timid about buying clothing. What East and West have in common is absolute liberty in fashion, in the West because people refuse to be dictated to, and in the East because has a large garment industry but they finally have real variety in much of its output was exported to what they can buy."

"Perhaps the greatest difference is that most Czechs with money still want clothing that says, in no uncertain terms, that they have money. Their taste is rather German, actually. While in the West, the trend is constantly toward clothing that expresses one's indi-

HAT works East and West are such items as wool and cashmere overcoats for men and women in rich earth colors. dark wool suits for women with modified '40s cut, three-button hlazers for men, and neo-American sportswear. "I'm not trying to be Jean-Paul Gaultier," Beranger says of his label, Europa, but it appears that no one wants him to be. Outside of Czechoslovakia and Hungary, his collections — he does 16 different lines, including men's, women's and children's wear, juniors, jeans, shoes, accessories, jewelry, lingerie, luggage and home lin-ens — sell well to boutiques in France, Germany and Japan. Currently, he is planning a flagship boutique in Prague. It wasn't fashion that first at-

tracted Beranger to Prague, he says.
I first visited in 1987 and was completely seduced by the beauty of the city," he recalls. His first trip led to many more. Beranger even-tually made an appointment with Centobex, the state agency that su-pervised the country's clothing production, motivated by his discovery that in spite of its drah appearance and utilitarian fahrics. Czech ready-to-wear was produced to standards as good as those in Italy

ESCADA'

WINTER COLLECTION Marie-Martine

8, rue de Sèvres, Paris 6th Tel.: (1) 42 22 18 44

The handwork in Czechoslovakia is of the same caliber as Hong Kong, but at less cost, he says, When I see people from stores in the West, they are amazed by the quality. But that's because we completely lost any real idea of this country during the last 50 years. The Czechs are an extremely culti-vated people and before the war it was one of the most industrialized countries in the world. And I foresee the day in the not too distant future when Prague becomes an

important lashion center." A nauve of Grenoble, he graduated from the Chambre Syndicale de la Haute Couture in Paris, was an assistant at Dior, and designed on his own for several different companies, including Emesse and Ballantyne. While living in Italy for seven years, he worked for a variety of manufacturers.

"I think I was looking for something that would excite me professionally." he says. "The fashion boom of the late "70s and "80s was ending, and I wanted to find a fresh way to view my work. Then in Prague I rediscovered how important clothing really is. Fashion can be a major force for social change, and clothing shapes our perceptions of who we are. I'd never seen this so clearly until I came to Prague.

Though there have been prob-lems since Czechoslovakia's bloodless revolution, Beranger says that the original excitement is still there. Prague is just on the edge of a huge creative explosion. You can feel it in the air, and it stimulates all the creative people who live here.
Beyond fresh vegetables and Japanese food, there's nothing I yearn for in Paris. The life there is so culturally rich."

Betanger is ambitious not only for the sartorial renewal of the Czechs, but for all of the former Eastern bloc. Following the boutique in Prague, I want to be in Bratislava, Budapest and maybe Warsaw be referred fore the end of 1993, I want to be the Budapest and maybe Warsaw be-fore the end of 1993. I want to be the first label that these people can think of as their own, that they can wear comfortably when they travel to the West he says.

Alexander Lobrano

7-1-92

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#### INTERNATIONAL STOCKS

## Australian Investors Need **Convincing Profit Motive**

By Paula Hannaford

YDNEY — Australian stocks could edge higher in 1992 as the economy struggles out of recession, analysts say, but they warn that any advance will be dwarfed by last year's surge, which was propelled by low inflation and

The key for the local market, which has already factored in most good economic news, including the possibility of another interest-rate cut this month, would be a rebound in corporate

"The market will definitely require firm advances in the corporate sector," said Nigel Weaver, managing director of Legal

Mr. Weaver attributed 1991 gains to the inflation rate fallgams to the initiation rate fall-ing to a 21-year low of 3.4 percent in the September quarter; interest rates falling to about 8.5 percent, from 12 percent; and expectations of better profits after Australia's worst recession in 60 years.

The gains will be emerging at a lower rate, depending on corporate profits.'

The All Ordinaries Index ended 1991 at 1,651.4, after starting the All Ordinaries index ended 1991 at 1,651.4, after starting the year at 1,279.8. On Monday, the index finished 15.7 points higher at 1,675.1 after having risen 26 points in morning trade. "1992 should be positive for the stock market overall but the gains will be emerging at a lower rate, depending on corporate profits," Mr. Weaver said. He cited the building-materials sector as one that could perform strongly as the economy improved.

John Bowie Wilson, director of Hambros Equities, said he expected major moves from resources stocks in early 1992 due to weaker Australian dollar and an expected rise in commodity prices. "The next major call is to move into mining stocks because the industrials have had a hell of a run," he said. The All Industrials index ended 1991 at 2,609.7 points, from 1,956.3.

However, media and transport stocks, which benefit most from a turning economy, could outperform the market, he said.

VERALL, Mr. Bowie Wilson said, the market will be patchy. "The share market's gone up 80 points in the last week or so and we think a lot of that takes care of most of the good news," he said. "The market could be ahead of itself." Susan Fenton, quantitative analyst at Macquarie Equities, said the market was likely to be fairly flat in the March quarter. The March quarter is not one where the flow of institutional funds to

equities is good," she said. She said the All Ordinaries should be at about 1,700 to 1,750 by end-February and at about 1,850 by June, with earnings determining the direction of the market for the rest of 1992.

For the year to June, 1992, Ms. Fenton forecast earnings per share for the whole market to grow just 2 percent. For the year to June, 1993, earnings per share should rise 27 percent. "The focus for everything that happens will be how it will impact on earnings

A spokesman for the fund manager GT Management Australia said he believed the Australian market was fairly valued now but had scope to improve over the next quarter. "We are pretty positive on the outlook for the market," he said. Banks would gain most from a 1 percentage point cut in official rates to about 7.5 percent, tipped to occur in the next few weeks.

Scott Hawker, vice president of equity research at Salomon

Brothers, forecast the All Ordinaries to be at 1,750 in the first

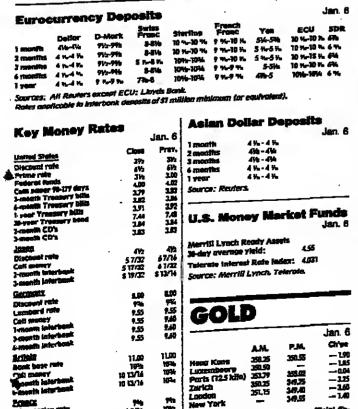
quarter. He said further re-rating depended on investors being confident the Australian government would maintain its inflation policy and economic restraint in general. "The market currently is adopting a 'so far, so good' approach," he said, noting that Australia had been one of the best

performers since the start of 1991. "However," Mr. Hawker said, "the weakness of forecast earnings in Australia for the first half of calendar 1992 suggests that the All Ordinaries may now begin to underperform international markets in this high-altitude valuation region."

#### **CURRENCY RATES**

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### INTEREST RATES



## In Seoul, Bush Gets Down to Business

By Stuart Auerbach Washington Post Service

SPOUL - With his American accent and stylish haircut, Jin Ryu was every inch the new-style South Korean businessman as he told President George Bush on Monday morning about the \$320 million brass mill, with its 700 new American jobs, his family is building in Cedar Rapids, 10wa.

Then, demonstrating the directness he learned at Dartmouth's Tuck School, he noted that the mill would be officially opened around the time of the Iowa primary in

"I hope you will stop by and meet some of America's best workers," Mr. Ryn told the president, who chuckled at the idea.
"Mr. President, you won the Gulf war. You won the Cold War. And I wouldn't bet against you winning the economic war," said Mr. Ryn.

It was the economic wars in the United States — and the political wars to come from Democrats jumping on the administration for doing nothing about the continued recession and rising unemployment — that brought Mr. Bush and the business leaders together for an hour-long meeting Monday.

Mr. Bush held a freewheeling discussion with 20 Korean businessmen and the 11 American executives who accompanied the president here. The Korean businessmen were not shy. Administration officials said the exchanges were more lively between Mr. Bush and the business executives than at the

**Bush praised Koreans** for their partnerships with Americans and their U.S. investments.

President's formal meetings later with President Roh Tae Woo and his advisors.

The Koreans professed love for America as the nation that saved them from a North Korean invasion and allowed them to prosper; the Americans complained about Korean barriers to selling insurance and financial services, and Mr. Bush asked if the Koreans felt hostility when they opened plants in the United States. The answer was no. Illustrating the economic emphasis of his

Asia-Pacific trip, Mr. Bush later addressed a

luncheon of Korean business leaders put together by the Korean and American Chambers of Commerce.

White House and Commerce Department aides said the amount of time Mr. Bush spent with business executives Monday was unprecedented for foreign travel in his presidency.

"A lot of this trip is about business and how we can do more and create job opportunities in the United States and if you believe as I do in free trade, more joh opportunines here in Korea." Mr. Busb said in his short

opening remarks.

He pledged to fight "the waves of protectionism" in the United States "that are almost inevitable when one's own economy is not doing well."

He praised Koreans for their partnerships ith Americans and their investments in the United States. "It means jobs for us," Mr. Bush said, and "opportunities for Americans."
M.S. Chung described such a venture in
Northern California between Pohang Iron & Steel Co., the Korean steel giant, and USX Corp., the U.S. steel concern whose former chairman, David Roderick, sat beside him. Instead of closing an outdated steel mill,

See KOREA, Page 13

# Ratners Holds **Crisis Meeting With Its Banks**

LONDON - Ratners PLC, the British jewelry chain, was holding a crisis meeting on Monday amid market talk that the crucial Christmas sales period had been far from

Analysts said asset sales and financial restructuring were inevita-ble. Ramers depends on the Christmas season for 40 percent of its annual profit and Chairman Ger-ald Ratner had pinned his hopes on Christmas sales to gild a disappointing year.

Ramers shares plunged 4 pence to 18 pence on Monday — less than one-tenth of their level of 191 pence in the middle of last year. We understand Ratners has al-

economic adviser to Lloyds Bank.

He reasoned that most national

markets already had strong local

banks. Acquisitions were ruled out

early on as too expensive even in

banks elsewhere in the Communi-

ready begun talks with its merchant banker Morgan Grenfell about as-set disposals and financial restru-turing," said Nicholas Budd, a re-tail analyst at Morgan Stanley. Ratners said it would make a

trading statement later this ween Analysis expected it to confirm poor sales and possibly details of ... refinancing.
Mark Josefson, retail analyst at

the Panmure Gordon brokerag: said the market was worried that dismal Christmas trade meant the group would violate the terms of its loan agreements with banks.

The loan agreements supulate a certain level of earnings to cove;

interest payments on bank loans. "If there is no trading profit, there will be no cover," Mr. Josefson said, adding "The market believes the covenants have been broken." Moody's Investors Service cut it. rating on Ramers preferred shares to Baa-2 in October, saying it ex-

pected an erosion of debt coverage.

Bankers "will want to see evidence of cost control or asset sales to feel comfortable," said Quintin Price, an analyst at James Capel. He said he expected Ratners to make a pretax loss of £35 million

smaller, less developed banking (\$65 million) for the year ending in April, compared with a year-earlier markets like Spain, Italy and Por-tugal. Instead, Europe's biggest banks have by and large opted for the lower-cost route of setting up profit of £112 million, on sales of Ratners' bankers said they correspondent relationships with

would wait for the trading state-ment before deciding on a course of

In industry, the economic slump of the early 1990s "slows down The odds are that Ratners will have to seek an accommodation with its banks," one senior banker to the group said. "Stretcher bear-ers have not been sent out yet, but some of the investment plans necessary to support the change to a single market, like investments in new plants and distribution cen-ters," Mr. Barnard said. we are keeping a very close watch on developments." Still, many manufacturers and

Analysts said one option was to sell Ratner's Watches of Switzerother corporations have poured land subsidiary, most likely to Sears PLC. The company could vast sums into new plant and equipment in preparation for the single market, and many more will fetch about £15 million. likely do so in the future. Those

Another option was to shrink investment flows are a critical bencosts by selling shops and cutting, jobs. Analysts said there were some efit of the whole 1992 process, "The 100 shops the group could close o sell. But such a disposal of assets

during a recession will not be easy.
The company has some 2,000 shops, half of them in the United States, lan McDougall, an analyst at Nomura Research Institute, said he expected Ratners to focus more on its subsidiary chains H. Samuel in Britain and Sterling and Kay in the United States, which are rela-tively upmarket, but have also been hurt by the recession.

Gerald Ratner built his company into Britain's largest jewelry chain during the consumer boom years of the 1980s. But he provoked a storm in Britain last year when he demany industries." That concentraucts as "crap."

(Reacers, Bloomberg)

## Agnellis Move on Perrier

Compiled by Our Staff From Dispatches PARIS — Food interests linked to the Agnelli family are acting in concert to control shares in Source Perrier SA. and the concert party has nearly half the mineral water company's stock, the compa-nies involved said Monday.

The concert party includes Exor SA, a food and real estate holding company for which the Agnellis' IFINT SA has made an agreed bid; Groupe Saint-Louis, a French sugar and paper company 53.9 per-cent controlled by an Agnelli-Worms & Co. alliance, and the investment companies Geneval and Ominco, the latter partly owned by Exor. Saint-Louis entered the con-

cert party Monday when the French stock exchanges association said that it had ac-quired 1.24 million shares of Perrier stock from the compa-

ny's treasury.

The statement by Perrier and Saint-Louis said that Exor held 28.7 percent of Perner's capital and voting rights, Saint-Louis 13.8 percent, Ominco 6.3 percent and Geneval 0.5 percent. Together, that makes 49.3 percent.

Perrier shares rose 15 francs to close at 1,250. The sale of the shares to Saint-Louis was done at Friday's closing price, and was thus worth 1.53 billion francs (\$295 million).

## Single Market but Diverse Consumers

By Erik Ipsen
International Herald Tribune
LONDON — With less than 12 months to go, corporate strategists are awakening to the fact that a single market in Western Europe will not create a single kind of West Implicit in much of the build-up

to the single market had been a sense that Europeans themselves would change, that somehow they too would be homogenized. Now, "there is a growing recognition that just because you eliminate trade barriers doesn't mean you suddenly get a Euro-consumer," said Alison Kottrell, an international economist. at Midland Montagu in London. Come next year, chances are Germans will still prefer German cars, Italians will still write checks on Italian bank accounts and Britons will still eat British fish and chips. The dream of being able to sell

the same goods in the same way across the single market has faded, "Nineteen ninety two is not going

richest Britons.

price was not disclosed.

By Steven Prokesch

New York Times Service

LONDON — The European, the unprofitable weekly newspaper begun by the late Robert Maxwell, was sold Monday to a company controlled by David and Fredetick Barclay, twins who are two of the

The sale was announced by the court-appointed administrators of Mr. Maxwell's bankrupt private companies, one of which owned The European. The

to make Europe a single homoge-nous beer market, so we will still need to take each market by itself and develop a strategy for it," said Guinness PLC, the big British beer

and spirits group.

Language and cultural differences, not to mention 2,000 years of European history, will likely pre-serve the uniqueness of national markets for decades to come.

The notion of vast pan-Europe-an corporations dominating the market from Copenhagen to Corfu has also ebbed, especially when it comes to consumer goods. A rail car full of chlorine is just that across Europe. A tube of toothpaste is another matter, however. "Consumer preferences die hard-er," said William Barnard, a partner at Arthur Andersen Consulting in London, who noted that attempts to "Europeanize" consumer tastes invariably collided with long-established preferences.

British Brothers Buy The European

pan-European players dominating the market. Although insurance products for business have long been sold across borders, personal products like life-insurance policies have lagged behind. "When it comes to personal lines we are not a United States of Eu-

dictions abounded of a few large

rope; we will not become one big happy family," said Stephen Coombes, managing consultant with Price Waterhouse, Mr. Coombes pointed out, for instance, ance is investing his life savings. He wants a guaranteed income after retirement and will trust only a name he knows. A big Greek insurance company investing in a shipping company based in Athens will have limited market appeal to a prospective pensioner in Potsdam.

In banking, as well, the early predictions of a few large players dominating the market have An example is the insurance in-dustry. In the heady, early days of will see many pan-European

of starting a label seem more eco-

nomic. Companies like Disney and

Morgan Creek were attracted to the

husiness in part by the frequent

opportunities for cross-marketing

Existing major labels were also

interested because of the broad ar-

ray of products needed to feed their

international distribution pipe-

lines. Also, radio programmers are

often partial to songs released on

new labels because of their need not to appear too elosely tied to any

with their movie businesses.

single market will have a huge im-pact," Mr. Foley said. That impact, however, will not necessarily be either painless nor predictable. One of the greatest gains many saw as flowing from the copies. The administrators closed the paper and laid off its 145 employees in mid-December, but decided to continue publishing it when potential buyers emerged. single market was greater economic efficiency as the small, inefficient manufacturers are squeezed out by pan-European combines with their The Barclay brothers have interests in hotels, other

real estate and shipping. In a list of the richest people in Britain published last April hy The Sunday Times of London, the brothers were ranked No. 18 with a fortune valued at about £450 million (\$846 million). greater economies of scale. Lower prices would then result. Not necessarily, said Paul Ormerod, a director at the Henley Center for Forecasting in London. "The single market will create fur-Charles Garside, who had been acting editor of The European, will remain as editor and general manager. Under Mr. Maxwell, the paper was not scheduled to ther economies of scale but it will An English-language paper introduced in May 1990 break even until 1994. But Mr. Garside has said that and promoted as "Europe's first national newspaper." costs could be slashed and the paper could be made

See SINGLE, Page 13

ATLAS FUND Société d'Investissement à Capital Variabl R.C. Luxembourg B 27 255 NOTICE OF MEETING

Notice is hereby given that an Extraordinary General Meeting of shareholders of ATLAS FUND will be held at the Registered Office in Luxembourg, 10A, Boulevard Royal, Luxembourg, on:

Monday 20th January, 1992 at 11 hours

for the purpose of considering the following Agenda:

1. Approval of the auditor's report.

2. Discharge to be granted to the liquidator, auditor and Board of Directors. 3. Resolution concerning the final liquidation of the Company.

4. The keeping of accounts and company documents.

The General Meeting shall be regularly constituted and shall validly deliberate on the resolutions if a quorum of shareholders representing one half of the shares outstanding is present or represented. Resolutions must be passed by an affirmative vote of two thirds of the shares present or represented at such meeting.

The shareholders on record at the date of the meeting are entitled to vote or give proxies. Proxies should arrive at the Registered Office of the Company not later than twenty-four hours before the Meeting.

The present notice and a form of proxy shall be sent to all shareholders on record at 27th December, 1991.

Proxy forms are available upon request at the Registered Office of the Company

## **Too Many New Labels Sour Record Sales**

The European now has a circulation of about 250,000 profitable much faster.

By Michael Lev

New York Times Service - LOS ANGELES - The music industry had been abuzz for months about Walt Disney Co.'s dismal showing in the record busi-ness. Despite the millions Disney invested in 1990 to start a mainstream record company, its Holly-wood Records had generated no hits and might be at risk of closing.

Then came confirmation of the adversity, in a candid memo writ-ten by Hollywood's president, Peter Paterno, to Michael Eisner, Disney's chairman, and Frank Wells,

In the memo, which was dated Oct. 31 but leaked to outsiders in late November, Mr. Paterno said that the label would have a loss of at least \$20 million in the next year, contributing to Hollywood's reputation in the music industry as "the Titanic captained by The Three Stooges." (Annual losses of a new label generally run no more than from \$3 million to \$10 million in

Though extreme, Hollywood Records' early difficulties are not unusual. Lured by the boom in compact disks and the rising prices paid for record companies by expan-sion-hungry conglomerates, a spate of new record labels has emerged in

the past two years. This has intensified competition and raised the cost of doing business. Now, with recession also taking a large bite out of record sales, there are questions about whether all of them can survive.

"There is a certain cost inherent in being in the record business, Mr. Paterno wrote, explaining Hollywood's predicament in part. While that cost may be much higher than what we envisioned a few years ago, we also did not envision that there would be 10 to 20 well-financed new entrants in the marketplace."

Besides Hollywood Records, the list of new competitors includes Gi-ant Records, a joint venture of Jan. 6 Time Warner Inc. and the musiccare industry impresario Irving Azoff; 190 Entertainment and Imago, 101 both backed by Bertelsmann Ago, 102 the German media conglomerate; 103 and Interscope and Morgan Creek, Zoo Entertainment and Imago two offshoots of Hollywood film companies. David Geffen has a new label, DGC Records. And Thorn-EMI, the British concern,

created SBK as a spinoff to a music-publishing house it acquired.

Not all of them are suffering.

Several labels have achieved early stability — even success — by watching expenses, staying away from pricey name acts, by making savvy talent decisions and by find-

With recession also taking a large bite out of record sales, there are questions about whether all the new labels can survive.

route to the hit parade.

ing low-budget, low-risk ways to labels is rooted mainly in the pros-land on the charts. Producing perity of the music industry. Com-soundtracks offers one economy pact disks caused sales to ignite, Morgan Creek Records claims to collections of scratchy vinyl.

have recouped its entire initial in-

particularly as fans replaced their

vestment on ties to its sister compa- companies' libraries also led to a one record company.

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#### Daniel Industries, Inc.

has acquired the assets of

Gerätewerk Babelsberg GmbH

from the

Treuhandanstalt A German Government Agency

The undersigned initiated this transaction and acted as financial advisor to Daniel Industries, Inc.

Kidder, Peabody & Co.

November 1991

Compiled by Our Staff From Dispatches NEW YORK - The Dow industrials' 11-day rally ended Monday as the blue-chip gauge fell slightly in heavy trading, but the broader market advanced in a sign of con-

Analysts said that despite profit-

#### N.Y. Stocks

taking after six consecutive recordsetting sessions, there was still considerable upward momentum.

The Dow Jones industrial average which had surged 29.07 points on Friday, fell 1.35 to close at 3,200.13. But advancing issues outpaced losers by an 8-to-7 margin, on volume of 242 million shares on the New York Stock Exchange.

The market spent the day catching its breath," said Robert Walberg, a market analyst at MMS International, "But they had a hard time selling it." Gene Seagle, Gruntal & Co.'s

director of technical research, said

that while many stocks fell from profit-taking investors were buy-ing the rally's laggards. Traders said investors were start-

ing to rotate out of the consumer and drug stocks that had led the market to new highs in the past few weeks and into laggards such as International Business Machines and the automakers.

IBM shares rose 1% to 924 after a Smith Barney, Harris Upham analyst raised his rating of the stock to "buy," citing continued good demand for mainframes. General Motors rose 1% to 33% Ford Motor climbed 1/2 to 30% and

Chrysler gained % to 13%. Shares of Westinghouse Electric, among the most active, closed 1% higher at 194.

The Nasdaq composite index, led by Microsoft, was up 5.25 at a new high of 597.90. Microsoft gained 31/2 to 1161/2 after the introduction of Project Version 3.0 for (Reuters, Bloomberg)

## **Mark and Yen Drive Higher Against Dollar**

Compiled by Our Staff From Dispatches NEW YORK - The dollar fell sharply Monday against the Deutsche mark and yen as dealers resumed selling after last week's

short-covering rally.

The dollar fell nearly 3 pfennig in New York to close at 1.5160 DM,

#### Foreign Exchange

after Friday's close of 1.5430 DM. It fell to 123.45 yen, from 124.65. The dollar also dropped in New York to 1.3435 Swiss francs, from 1.3748, and to 5.1745 French francs, from 5.2675. The pound

rose to \$1.8828 from \$1.8490. Traders said the high return offered by the German currency about 5.5 percentage points over the dollar - was again attracting investors. This was especially so as the market faced the possibility of even more cuts in U.S. rates if upcoming economic data were weak.

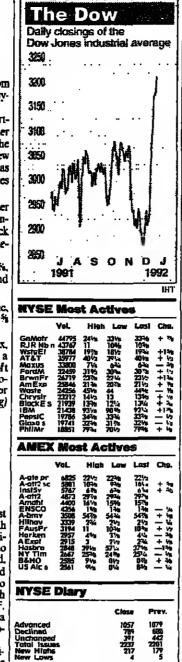
"The January buying effect is ber, I pretty much over" for the dollar, DM.

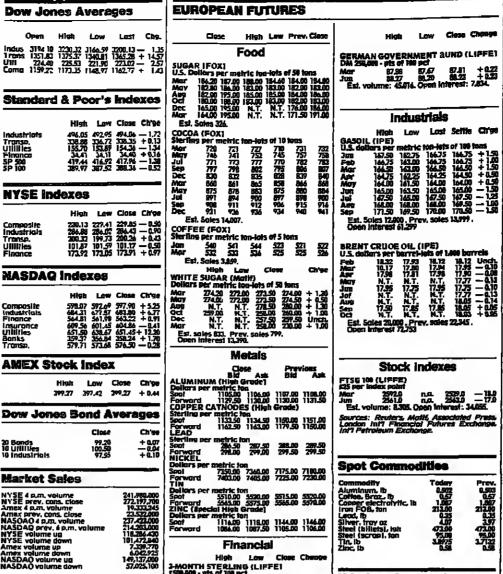
said David Gilmore, senior analys at MCM Currencywatch. With traders back to work after the holiday, the market's focus returned to economic fundamentals, he said.

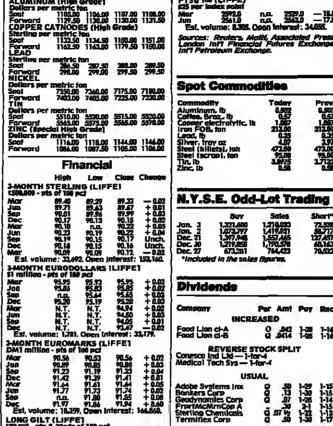
The yen continued to be helped by expectations that the visit to Japan by President George Bush and Treasury Secretary Nicholas F. Brady would result in calls for a stronger yen as a means of damping down Japan's trade surplus. Although any comments from ei-

ther Mr. Bush or Japan's prime minister, Kiichi Miyazawa, backing a stronger ven will be seized by traders later in the week, analysts said declining short-term interest rates in Japan will partially offset any yen appreciation.

Alan Chase, senior currency trader at National Westminster Bank in London, said the dollar could rally Friday if the Federal Reserve left interest rates alone after employment figures for December, hut in any case not above 1.55 (Reuters, Bloomberg)







## U.S. / AT THE CLOSE

Dres

Carmakers Post Sharp Falls in Sales

DETROIT (AP) — U.S. automakers reported a sharp drop of nearly !!

percent in sales for 1991 on Monday, turning in the industry's worst year

for sales since 1983

Among the Big 3, Ford Motor Co.'s car and truck sales fell 13.0 percent; Chrysler Corp. reported a 14.7 percent drop; and the No. 1 carmaker, General Motors Corp., said car sales declined 11 percent while truck sales were down 12 percent.

Automakers reported sales of about 12.3 million new vehicles in the United States in 1991, down from 13.8 million the year before. It was the worst performance since 1992, when 11.7 million new vehicles were sold. worst performance since 1983, when 11.7 million new vehicles were soid. according to the Motor Vehicle Manufacturers Association. The weak sales figures took on added significance by being released on the eye of President George Bush's trade mission to Japan.

# Baker Hughes to Buy Oil Gear Firm

MERIDEN. Connecticut (AP) — Baker Hughes Inc. has agreed to huy Teleco Oilfield Services Inc. from Sonat Inc., the companies said Monday. The companies said the purchase price was \$200 million in cash, four million shares of \$3.00 convertible preferred stock and a 5 percent royalty

payment for five years on certain technology revenues.

This strategic acquisition will further enhance BHI's position in innovative drilling systems by completing our suite of industry leading drilling-efficiency products and services," said J.D. Woods, chairman of Baker Hughes

## Olin Sells European Ammo Unit

STAMFORD, Connecticut (AP) — Olin Corp. said Monday that it was selling its European sporting-ammunition business to Browning SA.

the Belgian gun maker.

Terms of the deal were not disclosed, but the company said the sale would include a shotshell manufacturing plant in Anagni, Italy.

Under a licensing agreement with Olin, Browning will continue to produce Winchester-branded shotgun ammunition at the Anagni facility. Through an exclusive license, Browning will also distribute the complete line of Winchester sporting ammunition in all of Europe and in the line of Winchester sporting ammunition in all of Europe and in the European republics of the former Soviet Union.

#### Feelings Mixed on China Sanctions

WASHINGTON (Reuters) — Most of about 60 importers and retailers of clothing, minerals, leather goods, electronics and watches told the U.S. Trade Representative's office that proposed trade sanctions against China would burt their businesses and U.S. consumers.

But in testimony submitted for two days of hearings this week, severally

U.S. manufacturers expressed support for imposition of stiff tariffs against a range of Chinese exports in retaliation for that country's alleged

copyright and patent piracy.

The National Retail Federation said imposing the punitive tariffs
"would significantly harm U.S. consumers and exacerbate the recession."

### Westinghouse Raises \$700 Million

PITTSBURGH (Reuters) — A spokesman for Westinghouse Electric Corp.'s financial-services unit said Monday that the unit bad arranged asset sales totaling more than \$700 million in the fourth quarter of 1991. A spokesman said the disposals, which represented cash proceeds from the sales, were "consistent with the corporation's strategy of downsizing the business unit and reducing commercial paper borrowings."

#### For the Record

International Business Machines Corp. will introduce a notebook-sized personal computer to the U.S. market next month, marking its belated entry into the fast-expanding area, industry sources said. (Reuters)

American Telephone & Telegraph Co. said it had introduced a color
video phone for home use priced at \$1,499. The company said the product
would send and receive video calls over existing telephone lines for the

#### CARS: Lack of Success of Big 3 in Japan Blamed on U.S. Shortsightedness ternational Trade, said the other duce parts or finished cars that

**Amex Diary** 

**NASDAQ Diary** 

(Continued from first finance page)

its roots in automobiles. In 1990, American-made cars accounted for less than five-tenths of I percent of the 5.1 million cars sold in the Jap-anese market, the world's secondlargest. Japan, in contrast, holds nearly a third of the American mar-

While administration officials say they want the presidential trip to generate major concessions from Japan, some say there is another agenda at work: to force American automakers to focus on Japan and Asia, and to make up for underinvestment there.

day. "At the same time," he acknowledged, "the Big Three probahly should have been doing a trip like this 10 years ago, maybe 20."

Long ago, Detroit began designing cars for European buyers, yet none of the Big Three has its own design center in Japan. (GM has just opened a small facility to design parts.) While virtually all of the Japanese auto companies have built car factories in the American Midwest and opened design centers on the West Coast, no American automaker has seriously con-

sidered an assembly plant in Japan. Over the past two decades, all could be sold under American badges in the United States. Yet, only one, Ford, has ar-

ranged for its partner, Mazda Motor Co., in which it owns a 25 percent stake, to manufacture cars at its plant in Hiroshima that Ford can sell in Japan - with the steering wheel on the right-hand side, for driving on the left side of the road. And only Ford has followed Mercedes-Benz and BMW, the most successful foreign carmakers in Japan, in building their own

do not lack in Japan is experience.

Ford became the best-selling car in Japan, but soon after the military government came to power in the late 1930s, the company was forced

S&P 100 Index Options

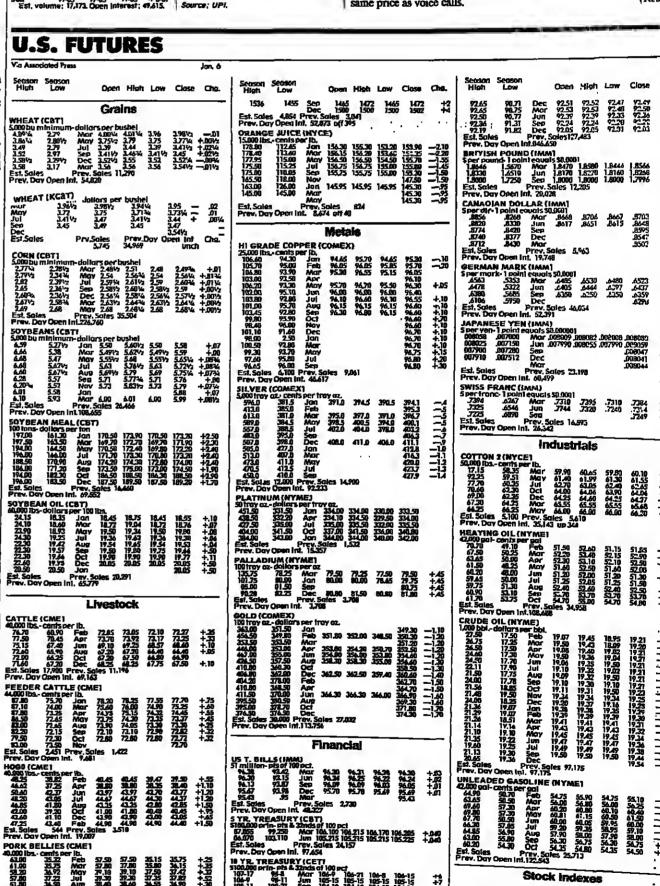
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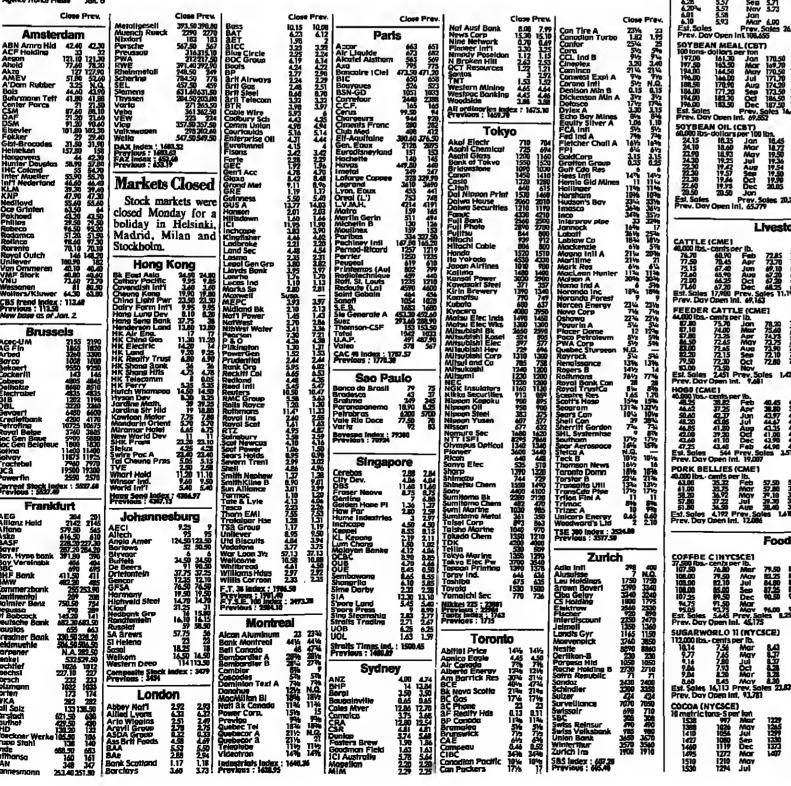
20 Bonds 10 Utilities 10 Industrials

For years after the war, American carmakers were excluded from the Japanese market, as Japan tried to build its own auto industry. When they finally were let in during the 1960s, Japanese tax policy and a web of anti-import regulations still worked against them.

But the American makers failed to get back in during the 1970s and 1980s, as the formal restraints fell What the American automakers away, Rather than sell directly, the American makers turned to sales "We think the market in Japan is three Detroit automakers have made hig investments in Japanese dessecretary of Commerce for In
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Monday's Prices

NASDAO prices as of 4 p.m. New York time.

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## ASIA & THE PACIFIC: MERGING BUSINESS & THE ENVIRONMENT

Bangkok, January 23-24, 1992

The International Herald Tribune is convening a major conference on the environment that will serve as a forum for leading government ministers, bankers and industrialists to meet and discuss the most pressing environmental issues and trends. The program will highlight ways in which business can respond to and

09:30 KEYNOTE ADDRESS

H.E. Anand Panyarachun, Prime Minister, Thailand 10.15 FORGING A GLOBAL PARTNERSHIP FOR SURVIVAL The Hon. Sir Shridath Ramphal, President of The World Conserva-tion Union (IUCN) and Former Commonwealth Secretary-General

11.15 THE PCLITICAL AGENDA: A REGIONAL RESPONSE Environmental Protection: How Much Of The Cost Should Government and Industry Bear? H.E. Fulgencio S. Factoran, Jr., Secretary. Department of Environment and Natural Resources, Philippines ion, Economic Growth & Environmental Protection

H.E. Prof. Dr. Emil Salim, Minister of State for Population and Environment, Indonesia Can Southeast Asia's Tropical Forests Be Saved? Dato Seri Dr. Lina Keng Yalik, Minister of Primary Industries, Malaysia

14.00 THE ENVIRONMENT BUSINESS: IN SEARCH OF ROLE MODELS IN THE ASIA-PACIFIC

Dr. David Bellamy, Botanist, Conservationist, Writer and Broadcaste 14.40 THE ENVIRONMENT AND WORLD TRADE

Arthur Dunkel, Director-General, GATT H.E. Nobutoshi Akao, Ambassador for Global Environmental Affairs and Asia-Pacific Cooperation, Ministry of Foreign Affairs, Japan

16.15 THE ENERGY OUTLOOK & THE ENVIRONMENTAL CHALLENGE Peter Hadfield, Group Planning Coordinator, Royal Dutch/Shell Group of Cos., London 16.45 CAN TOURISM AND CONSERVATION CO-EXIST?

H.E. Mechal Viravaldya, Minister, Prime Minister's Office. Thailand 17.15 DESIGNING DUR FUTURE Jean-Michel Cousteau, E.V.P., The Cousteau Society

18.00 Cocktails REGISTRATION INFORMATION: The lee for the conference is £495. This includes lunches, a cocidail reception and all conference documentation. Fees are payable in advance and will be refunded less a £50 cancellation fee for

any cancellation received in wring on or before January 10, after which time we regret there can be no refund. However, substitutions can be made at any time. We are offening a special rate of £295.00 for academics, government bodies and other non-profit making organiza-tions in addition special group rates are available upon

CONFERENCE LOCATION: The Regent Hotel, 155 Rajadamri Road, Bangkok 10330, Thailand Tel. (662) 251 6127, Fax: (662) 253 9195. A limited number of rooms has



Telephone.

	Gautam Kaji, V.P., East Asia & Pacific, World Bank, Washington D.C.
10.45	INVESTING IN GREEN FUNDS AND COMPANIES Mark Street, Director and Chief Representative, James Capel (Far East) Ltd Bangkok
11.15	Coffee
	SEMINAR SESSIONS Business Solutions To The Urban Challenge Dr. Dhira Phantumvanit, Director, Natural Resources and Environment Program, Thailand Development Research Instituta, Bangkok Seiling Green: The Role of Media Alan Falmington, President, Asia Pacific, J. Walter Thompson Co Corporate Environmentalists: Seiling Sustainable Development — But Can They Deliver? John Elidington, Director, SustainAbility Ltd., and author of 'The Green Business Guide,' London
12.45	Lunch
	WORLD ENVIRONMENTAL OUTLOOK: GLOBAL DANGERS - GLOBAL SOLUTIONS  Maurice Strong, Secretary-General, United Nations Conference on Environment and Development (UNCED)
	INDUSTRIAL RESPONSE TO THE NEW ENVIRONMENTAL AGENDA The Hon, J. Hugh Faulkner, PC, Executive Director, Business Council for Sustainable Development, Geneva R. Natarajan, President, Union Carbide Asia Pacific Inc., Singapore Saburo Kawal, Vice Chairman and President, Kezai Doyukai, Tokyo

**JANUARY 24** 

09.30 ENVIRONMENTAL PROBLEMS IN THE HIMALAYAS & THE

10.15 FINANCING SUSTAINABLE DEVELOPMENT

16.30 Close of Conference REGISTRATION FORM: To register for the conference, please complete the form below and send it to: Brenda Hagerty, International Herald Tribune, 63 Long Acre. London WC2. England Tel (44 71) 836 4602 Fax: (44 71) 836 0717.

Bjorn Stigson, President & CED, ABB Flakt, Stockholm

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## Dresden Dairy Will Be East's First Stock Float

FRANKFURT — A Dresden dairy will make history on Tuesday when it becomes the first former East German company to be

fisted on German stock exchanges.

But the plunge into capitalism by Sachsenmilch, the dairy, will not cause a stampede to the stock market by other companies once run by communists. Analysts say it could take at least five years before more than a handful of East German companies are ready. Earlier optimism that East German com-

panies could be brought quickly to the stock markets has withered, due in part to the collapse of business demand from Eastern Europe and to lingering disputes about property ownership in Eastern Germany.

"It will take a long time before any more East German firms will be able to reach the

stock market," said Kilian Krieger, senior

manager at Price Waterhouse Corporate Fi-nance in Berlin. "The East European markets they depended on have totally broken down and most East German companies have absolutely no control over their costs."

Sachsenmilch, a subsidiary of Südmilch AG of Stuttgart, is floating shares to raise its nominal capital by 45 million Deutsche marks (\$29.2 million) to 75 million DM. At 80 DM a share, the offer will give the dairy 60 million DM of fresh capital.

After the increase, 49 percent of Sachsenmilch will be traded, with the remaining shares held by Sachsenmilch Beteiligungs AG, jointly owned by Südmilch AG and

Saxon milk producers.
Sachsenmilch, with a staff of about 450, expects sales to rise from 296 million DM in 1992 to about 525 million DM by 1995. The company expects to post a profit of more within 10 years.

than 10 million DM by 1995, when it projects its first dividend will be paid.

Unlike most of the 5,000 Eastern German companies the Trenhand agency has privatized, Sachsenmilch has a number of advantages that made its entry onto the slock exchange comparatively easy, analysts said.

Ample capital and know-how was injected from Südmilch, the company is using modern equipment, and, as Mr. Krieger said: "They are dealing with milk, a very simple product for which there is large and steady demand." Peter Pietsch, an economist at Commerz-bank, believes that "Sachsenmileh will be the

first and the last for quite a while." But Jorg Walter, general manager of the Berlin stock exchange, said there could be one or two more Eastern German companies listed in 1992 and perhaps as many as 100

#### Wage Rises **Moderate** In Britain

day after they accused each other

of acting in bad faith and against

the interests of shareholders. Redland PLC, which in Novem-

LONDON - British manufacturing wage settlements have fallen to their lowest point in four years, the influential business leader's group, the Confederation of British Industry, said Monday.

The findings of the CBI's manurecovery would come in 1992.

John Banham, director general of the CBI, said, "With productivity in U.K. manufacturing industry rising and pay settlements now be-low the level of those in West Germany and closing on those in France, the outlook for the competitiveness of British businesses, for inflation - and in the longer term for interest rates - is good."

Pay increases in the third quarter of 1991 fell to an average 5.4 percent, from 6.3 percent in the previous quarter.

A year earlier, in the third quarter of 1990, the average wage increase given by manufacturers was 8.8 percent.

Redland and Steetley

**Charges of Bad Faith** 

**Intensify Fight, Trading** 

LONDON - The takeover bat- lion) bid for its rival Steetley PLC.

the between two leading companies accused Steetley of making unfairly

in Britain's crisis-hit building-ma- selective use of statistics and failing

terials industry intensified on Mon- to answer key questions in its bid

The confederation's report backs elaims made by Chancellor of the tax evasion and criminal asso-

#### Paris London CAC 40 FTSE 100 Index 2600 V 1500 A S O N D J 1991 1892 2300 A S O N D J 1600 A S O N D J 1991 1992 Exchange Monday Close Close **CBS** Trend 113.60 113.50 Amsterdan 5.527.68 5,527.49 Brussels 1,603.62 Frankfurt 652,60 Frankfurt 782.10 Helsinki HEX Closed

General Index

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MHA.

CAC 40

Investor's Europe

#### should put their trust in a planned joint venture with another building Madrid materials concern, Tarmac PLC. Milan Steetley accused Redland of rushing out the bid in an attempt to Paris Stockholm

thwart the Tarmac deal.
"The board of Steetley believes that Redland was driven to this basty spoiling tactic as much by a well-founded fear of the competition in building products that the joint venture would pose as by a desire to own Steetley," it said.

ber made a £585 million (\$1.1 hil-

In a defense document published

over the weekend. Steetley urged shareholders to reject Redland's of-fer of 85 Redland shares for every

Pledging to maintain its net divi-dend for 1991 at 14 pence per share

despite an expected sharp drop in

profit. Steetley said shareholders

100 Steetley shares.

Redland, meanwhile, pounced on Steetley's admission that its pretax profit for 1991 would slide to £32.5 million, from £35.2 million in

#### Parretti Asks Italy For House Arrest

The Associated Press SIRACUSA. Sicily - A court will consider on Friday a motion by the financier Giancarlo Parretti to be released from jail and placed under

Mr. Parretti, who recently lost control of MGM-Pathe Communications Co., was arrested Dec. 27 and jailed on charges of illegally transferring money out of the country.

#### Very briefly:

London

London

Zurich

• Stated A/S is buying an extra 15 percent of the Frigg North Sea gas field from Elf Aquitaine Norge A/S, raising its stake in 20 percent and lowering that of Elf, the operator, to 26.4 percent.

• British Gas PLC broke off talks on buying Norwegian North Sea gas on grounds that it was too expensive, Statoil said.

• GIB Group sold its 50 percent stake in the Pizza Hut franchisees in Belgium and the Netherlands — Pizza Belgium SA and Global Restaurants BV — to Whithread PLC, which already bolds the other half.

Turkey, with foreign debt of \$45 billion, plans foreign borrowing of \$1 billion in 1992 and will bave debt-service payments of \$7.6 billion.

 Siberia's oil production fell 14 percent in 1991 to 305 million tons and is expected to drop to 260 million tons this year, Soviet media reported.

• Westdeutsche Landesbank Girozentrale has bought the 40 percent it did not own in Deutsche Industrie- & Handelsbank AG, which has branches in the five Eastern German states, from Deutsche Aussenhandelsbank AG.

. Britain's new car sales for 1991 are estimated at just under 1.6 million units, a fall of around 20 percent from 1990. · Codan A/S, a Danish insurance company, offered to buy all the stock of Forenede Forsikring for 200 Norwegian kroner a share, valuing the Norwegian insurer at 814.4 million kroner (\$135.2 million).

 McDonnell Douglas Corp. will offer Rolls-Royce PLC's Tay 670 engine in its MD-95 airliner. Reuters, AP, AFX, AFP

#### Mercedes to Get A Majority in Avia Venture

Compiled by Our Staff From Dispatches PRAGUE - Mercedes-Benz AG is to invest about 450 million Deutsche marks (\$300 million) in a joint venture with the Czechoslovak truckmaker Avia, under an agreement in principle signed Monday.

Mercedes-Benz would at first hold 31 percent. It is to invest 350 million DM during the first three years, carning a majority holding before 1994. . Mercedes would invest a further 100 million DM before

1998 under the agreement, which must be approved by ihe Czechoslovak government. Avia chose Mercedes as its partner over Renault Véhicules Industriels. Avia, based in a Prague sub-

urb, made 10,000 trucks last year. The venture will produce two Mercedes van models, the MB 100 and MB 180, from early 1993. Annual production is expected to reach 30,000 (AFP, Reuters)

the time needed by its competi-

According to an internal report

done by GM's Chevrolet-Pontiac-

GM of Canada Group, GM's most efficient plant requires 30 man-hours per vehicle, compared with

18 man-hours per vehicle at Ford Motor Co.'s most efficient plant. "Until GM does something to eliminate those differences, it hasn't addressed the problem."

worked closely with GM's top management. It has thrown to-

gether something slapdash. It sim-

ply means that they will have to

announce more plant closings in a

sources said, was the mid-November announcements by four major

bond-rating services, including

Standard & Poor's Corp. and

Moody's Investors Service Inc.,

that they were considering reduc-

\$90 billion into capital projects over the past decade, with much of

that money coming from borrowed funds. Lower credit means hun-

dreds of millions of dollars more a

Wall Street, which had backed

GM while its market share declined

and its profits dwindled in the late

1980s, was belatedly becoming

concerned. GM, at that point, had

lost \$2.2 billion for the year and was looking at a possible loss of nearly \$500 million for the fourth

But according to sources familiar

with the company and the internal debate, Mr. Stempel and other GM

year in debt service costs.

## **Poland Aims to Boost Privatization**

WARSAW -- Poland's new government said Monday that it intended to overhaul the ownership status of state industry in order to speed up its privatization program.

The acting privatization minister, Tomasz Grüszecki, told reporters the overhani could take six months but privatization would not be held up in the meantime.

"It is one big jungle and it is impossible to speed up privatiza-tion without a basic clean-up of the ownership problem," Mr. Grus-zecki said.

"Certainly the government of Jan Olszewski wants to privatize quickly," he said, referring to the

new prime minister. "But in order to move fast we want to put the day-to-day negotiations.

Mr. Olszewski has said that such to move fast we want to put the

Mr. Gruszecki said Poland's former Communist governments had blurred ownership rights, making it very hard to establish exactly who held the legal rights to an enter-

He said all state enterprises would be put under the legal control of one quasi-government hold-ing organization, which would be able to negotiate their sale.

The existing industry, foreign trade and privatization ministries would be combined under one umbrella ministry that will deal with

an overhaul would involve a temporary slowdown in the privatiza-

But Mr. Gruszecki said the existing procedures, put in place by the facturing pay survey supported the previous government of Jan government's claim that economic previous government of Jan Krzysztof Bielecki, would be continned until new measures had been approved by parliament.
We definitely do not want to

stop privatization," be said. Mr. Olszewski assembled a weak coalition cabinet from the deeply divided parliament two weeks ago. He says his government needs two months to draw up a detailed eco-

#### SINGLE: One European Market but Many Consumers

(Continued from first finance page) ly, however, this price-cutting battion could make it easier for com-

of commercial insurance. Curions- Price Waterhouse.

officials were shocked by the action . managers had already been advised of the bond-rating services. . . that, for the second year in a row.

Some sources said that Mr. they would get no annual bonuses.

Stempel may have been taken by

The bonus freeze did not affect

facilities in the United States and same board several years ago.

(6 torap 15,000 jobs by 1993;

Industry analysts on Wall Street sion, even a money-losing operation as decisive, Also, tion such as Oldsmobile, was re-

GM: The Restructuring Plan 'That Means Nothing'

of the bond-rating services.

Stempel may have been taken by surprise because from the start of

his tenure as chairman, be bad been

hailed as a hero on Wall Street for announcing plans to close four GM

assembly plants and several other

after having attended previews of

analysts were convinced that the automaker was prepared to face its

rivals with high-quality products.

But as GM's sales and carnings slumped in the recession, all bets

that the automaker could return to

outside directors who were pushing

the management committee to take

action. Six of the 17 directors, in-

chiding Mr. Stempel and President Lloyd E. Reuss, are current or for-

According to sources, some of

the outside directors, after the rat-

ing services' actions, met several times with Mr. Stempel and mem-bers of the management commit-

tee, suggesting that drastic steps be taken to demonstrate to Wall Street

and to GM's union-represented

workers that it was willing to cut widely and deeply into GM's cor-

porate structure to reduce costs.

Board members asked tough

questions about the cost-cutting proposals, such as the suggestion

that executive pay be trimmed. Sources said that was ruled out

because it was felt that such action

would prevent GM from attracting

the best qualified executives in the

future. The sources noted that GM

Sources declined to identify the

said another source who has GM's future products, many car

ing GM's credit rating. That was a mer semior GM managers.

According to sources, some the outside directors, after the

panies to forgo passing their cost the most efficient players. The insavings along to the consumer in the form of price cuts. In the insurance industry, competition across borders in Europe has already forced cuts in the price markets," said Mr. Coombes of

the 119 top GM executives, 98 of

whom currently receive more com-

pensation in retirement than they

did while employed under a special bonus program approved by the

garded as unachievable and

shortsighted, GM sources said.

Eliminating Oldsmobile meant harting the livelihoods of 3,000 GM dealers, and scrapping hun-

direds of millions of dollars invest-

D. Quinn Mills of the Harvard

tant to many major corporations.

suggested that the latest round of

GM cuts reflects a descatist attitude. "In a sense the company is liquidating itself," he said. "It's giv-

ing up market share and laying off people in an attempt to be profit-

able at lower market-share levels."

GM management to stem the com-

pany's losses, Mr. Mills questioned

the company's long-term survival

m the North American auto mar-

ket noting that GM has been los

ing about 5 percent of its market

a very substantial degree GM has been managed over decades in the

way Wall Street would want a com-

pany managed. Financial officers

at the top, responsive to shareholders, and an adversarial, arm's

length relationship with its employ

ees. The fact that GM is declining

is a very interesting commentary or

Ironically, Mr. Mills argues,

share every seven years.

Given the apparent inability of

ed in promotional efforts.

Even if it were a case of survival of the fittest, many governments are not eager to see their companies sacrificed on the altar of economie

nomic plan.

For the consumers' part, they are the weekend that the government always eager to embrace the winning its fight against the recession and that recovery will take

#### Banks and insurance companies often seem to belong together. The reason is obvious.

cs holding

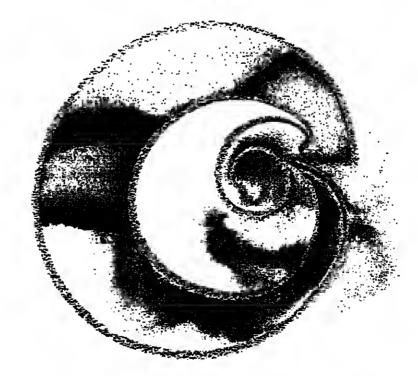
CS Holding has its own specialised life insuronce company, CS Life. And here is why:

CS Holding is able to offer its bonks' customers endowment life insurance which combines performance and security. Providing maximum coverage and flexibility, this instrument deserves a permonent place in o wellbalanced portfolio.

The banks in the CS Holding Group can moke long-term decisions about how they invest the life ossurance customers' copital. The result is the best possible spread of risk.

In other words, CS Life provides the insurance CS Holding's investors need. And the reassuronce that their assets could not be in better

CS Holding is one of the world's leading finoncial services groups. Our Swiss domicile, combined with our companies' presence in oll important world morkets, offers the investor the most attractive options.



The following companies make up CS Holding:

Credit Suisse • CS First Boston, Inc. • Leu Holding Ltd. Electrowatt Ltd. • Fides Holding • CS Life

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CS Holding • Tolocker 42 • CH-8021 Zurich

# KOREA:

#### A Business View

(Continued from first finance page) USX entered into a "strategic alliance" with Pohang to modernize the plant, which finishes steel coils shipped from Pohang's mills in South Korea Mr. Chung said. - "We complemented each other's

weaknesses and and answered each other's strengths to bring into fru-ition very solid business results," said Mr. Chung.
When Mr. Bush gave the American executives a chance to have their say, Maurice R. Greenberg

jumped in with complaints of Korean restriction on his company, the insurer American International Group Inc. James D. Robinson 3d, head of American Express Corp., agreed.

Regulatory hurdles in Korea

ire far too extensive and far too limiting for us to be successful in our husinesses and contribute as we do o overall growth and develop-ment of your economy," said Mr. The South Koreans were not Robinson.

quite as happy with those com-ments, telling the president that they operate in the same regulatory atmosphere that the Americans were complaining about.

Mr. Bush called the discussion

most informative and terribly

helpful." He said he had wondered at first how the countries he visited would react to him bringing American executives with him.

He called the reaction good in Australia, Singapore and Korea.

#### **COMPANY RESULTS**

Revenue and profits or	1st Holf	1992	1991	Me Pinj	Httfood	3
losses, in millions, are in	Revenue	10,800. 180,40 0,73	16,150.	3rd Quar.	1992	1991
local currencies unless	Par Shore	0.73	151.30	Net inc	432.30 15.40	396.20
otherwise indicated.	Per share res terred dividen	ults att	er pre-	Let Shale	0.79	0.72
	USULES OTAIOES	MAC.		? Months	1772	1991
Canada		Foods		Revenue	30.70	1,130. 26.80
	2nd Quar.	10003	1997	Day Chare	1.67	1.38
Seagram	Revenue	1992 551-30 1536	1991 554.50 14.50	1991 nets inch million and a million.	de gain	of \$53
3rd Quar. 1992 1991 Revenue 1.500 1,490.	Revenue Net Lac Per Shure	15.30	14,20	million.	-10194	
Profit	Lst Half	. 1992	1997	Litton In		
	KEVEINE	1,000. 32,00 0,81	1,070 2,70 0,00		1992	1991
700 4200	Per Share	250	220	Tat Quar.	1,360.	1.230
Profit 530.00 581.00 Per Share 540 4.14				Net Inc	· 41.50 2.02	39.40
Per Shore San ese	De	ere		Per Singe-	. 2.02	1.70
Germany	4th Quar.	1991	1990 2,060.	Macy	(R.H.)	
- Parmini	Net inc	1.900. 02.18(a	2,060. 74.50	Ist Quor.	1772	1991
Degusso . Year 1991 1990	Per Shore		0.76	Net Loss	155.40	1.550 56.50
Year 1771 1990 Revenue 13.50 13.930, Pratox Net 179.00 318.00	Year	7991	1990	1991 net includ	es gain	of \$10.2
Pretox Net 179.00 378.90	Revenue	7,860. g)20,20	7,500	million		
Metaligenelischaft	Per Share	_	7,540. 411,10 5,42	National M	adical	Ept.
	a: loss. 1997 charge of 5120	nets L	octude	2nd Quer.	1772	1991
Deveryte 21,180 19,830	Chorge or size	mmmar		Oper Net	1.020.	944.30
Pretox Net 314.00 463.00	Federal	EVEN	22	Oper Shore	70.40	9.42
Japan .	2nd Quar.	1772	1991	1st Hoff	1772	1991
	Revenue	1,940. 26.50	1,990. 37.50	Oper Net	2,010.	1,240
Full Photo Film	Net Inc	26.50 0.47	0.71	Uper Share	0.81	0.80
Year 1991 1990	let Holf	1772	1991	1992 nels Inche 528,7 million an	de char	pes of
Revenue 1.12 T 1.06 T Profit 94,780, 76,280, Per Shore 183,95 176,20	Revenue	3,770.	3.010	szu/million on million.	a gams	OF 52072
Per Shore 183,95 176.20	Net Inc.	42.00	90.50 1.51			
7 trillion.	,			Nat'l Semi		
United States	Heinz	(LLH)		2ed Quar. Revenue Net Inc.	1992	1991
	2nd Quer.	1772	1991	Net Inc	5.90	17.40
AAP	REVENUE -	1,570.	139,80	Per Share		0.01
3rd Quar 1992 1991	Net Inc	122.80	0.52		1777	1991
Revenue 2610, 2610, Net Inc. 292 32.10 Per Shore 0,10 0.84	lst Half	1772	1991	Net Loss	831.20 162.10	162.00
Per Shore: 0.10 0.84	Dear S	1.090	3.200 263.60	1991 SLK-month	net in	cludes
7 Menths 1772 1771 Revenue 823, 8420, Not to: 5461 119,61	Net Inc. ——	377.20 1.41	1.06	charge of \$147.	JU BHING	
	1999 six-month	net in		Navist	ar loft	
Per Shore 1.43 - 3.12	poin of \$221.50 i	million.		4th Quer.	1991	1990
Full name of company is Great Atlantic and Pacitic				Net Loss	<b>817.00</b>	771.08
Tea.	Hormel (				67.00	
	. Hours				1001	1900
	4th Quer.	1991	1990	Year	7991 3,460,	1999
Berson Brusswig	ATA Ques.	1991 760,60 36,60	1776 772.86 34.30			
1st Quer: 1992 1997	4th Quer.	1991 760,60 36,60 0,48	1770 772.00 34.30 0.48	Year Revenue Net Loss	165.00	11.00
1st Quer. 1992 1997 Revenue 1300, 1,180.	Ith Quar. Revenue Net inc Per Shore Year	760,60 760,60 36,60 0,48 1991	1776 772.00 34.30 0.48 1770	Year Revenue Net Loss Supermarks	1,460. 165,00 ets Ger	11,00 11,00 mercal
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1st Quar. 1972 1997 Revenue 1300 1,180 tief Inc 1,710 Per Short 822 0,29	Atta Quest. Revenue Net Inc Per Shore	1991 760,60 36,60 0,48 1991 2,840	1776 772.00 34.30 0.48 1770	Year Revenue Net Loss Supermarks	1,460 165,00 ets Ger 1972 1,430, 13,10	1850 11,00 1991 1460 15,70
1st Quar. 1992 1997 Revenue	Ith Quar. Revenue Net inc Per Shore Year	1991 760,60 36,60 0,48 1991 2,840,	1770 772.00 34.30 0.48 1770 2430. 77.10	Year Revenue — Net Lots — Supermarks Int Quar. Revenue — Net Loss — 2 Moeths	1,660 165,00 ets Ger 1772 1,630, 13,10 1992	1850 11.00 1991 1460 15.70 1991
tst Quar. 1992 1991 Revenue	In Quest. Revenue	1991 760,60 34,60 0,48 1991 2,840, 84,40 1,13	1990 772.90 34.30 0.48 1990 3480. 77.10 1.01	Year Revenue — Net Loss — Supermarks Int Quar. Revenue — Net Loss — 9 Moeths Revenue —	1,660, 165,00 165,00 1772 1,630, 13,10 1992 4,410,	1850 11.00 1991 1460 15.70 1991
Ist Quar. 1992 1997 Revenue	4Th Quest. Revenue	1971 760.60 36.60 0.48 1991 2.840. 1.13	1990 772.00 34.30 0.48 1990 2430 77.10 1.01	Year Revenue	1,460, 165,00 185,00 1972 1,430, 13,10 1992 4,410, 12,60	1850 11,00 1991 1460 15,70
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## Taipei Takes Brakes Off Its Dollar's Rise

Compiled by Our Staff From Dispatches TAIPEI - The Taiwan dollar sourced against the U.S. currency on Monday to close at its highest level for 32 months, after the central bank suddenly relaxed its grip on the island's foreign-exchange market. The Taiwan dollar jumped nearly

ture

24 cents to 25.5100 against the U.S. dollar, from Saturday's 25.7495 close, the largest single-day fluctuation in the market for 20 months. The central bank had bought hundreds of millions of U.S. dollars in the market in the last few weeks to try to keep the Taiwan dollar from breaking the 25.75 lev-

el. The currency stood at 27.10 at the start of 1991. Without warning Monday, the bank bowed to market forces and refrained from intervening in the last 15 minutes of trade. "Suddenly, the central bank wasn't there any more. Nobody wanted to buy U.S. dollars and the Taiwan dollar just soared," said the vice president

of a foreign bank in Taipei. Pressure for appreciation has been building because of Taiwan's huge trade surplus, which totaled \$13.3 billion last year. But the rise of the Taiwan dollar has triggered protests by businessmen because it threatens to slow the export boom.

Many dealers said the central each had become willing to allow further appreciation since the Nationalist Party won a landslide victory in general elections Dec. 21.

#### Failed Group's Investors Didn't Ouite Lose All

TAIPEI — Investors got back just 1.4 cents on the dollar Monday for the money they had put into Taiwan's second-largest underground

bank, which collapsed in 1990. A liquidation committee issued certificates worth 2,100 Taiwan dollars, (\$82) for every 150,000 dollars deposited in the Fortune Group, whose chairman was arrested in a government crackdown on underground banks.

Another reason for the appreciation of the Taiwan dollar has been the wide gap between Taiwan interest rates and lower U.S. rates. The one-month interbank borrowing rate for the U.S. dollar stands at 4.5 percent, compared with 6.5 percent

for the Taiwan currency. "The central bank must decide what it wants - to maintain the rediscount rate or to stabilize the currency," said a trader.

The bank is expected to cut interest rates as early as this week, lowering its rediscount rate by 0.5 percentage point from the current 6.25 percent, but most dealers said pressure for appreciation of the Taiwan dollar would remain.

Norman Yin, banking professor at National Chengchi University, said the Taiwan dollar could rise as high as 24.50 later this year.

## Investment Fuels Malaysia Growth **But 8% Expansion Could Worsen Deficit and Inflation**

Compiled by Our Staff From Dispatches

KUALA LUMPUR - A boom in foreign investment will keep Malaysia's economy growing at a strong 8 percent in 1992, but this growth could worsen the inflation rate and the balance-of-pay-

Real, or inflation-adjusted growth in the gross domestic product for 1991 should reach 8.5 percent or higher, Prime Minister Mahathir bin Mohamad said Monday at a seminar organized by the Harvard Club of Malaysia.

Despite continuing uncertainty in the world conomic environment, Mr. Mahathir said Malaysia's real GDP growth had accelerated to 8.8 percent in the third quarter of 1991 from 7.5 percent and 8.4 percent in the first and second quarters

The Malaysian economy has been on a strong upswing since 1987, buoyed in part by heavy investment. In the first nine months of 1991, the Malaysian Industrial Development Authority approved a total of \$8.2 billion in new foreign-investment pro-jects, almost matching the record of \$10.2 billion approved for all of 1990, Mr. Mahathir said.

This rapid pace of investment activity should

sustain Malaysia through another year or two of reasonable economic growth, at the very least," he said. But he added that Malaysia faced inflationary pressures and a weaker balance-of-payments

The Consumer Price Index increased 4.4 percent in the first 10 months of 1991 compared with just over 3 percent in 1990.

Malaysia's current-account deficit is also expected to widen this year, to 13.6 billion ringgit (\$5.01 billion), from 11.8 billion in 1991. The deficit this year will equal 9 percent of gross national product, Mr. Mahathir said.

But the prime minister said this level was manageable and not a major cause for alarm, noting the level was below the record of 14 percent set in 1982 and that the overall balance-of-payments position

"Seen in this perspective, the problem of the current account deficit becomes less daunting," Mr. Mahathir told the business seminar.

"One should not be too alarmed by it at this stage," said Victor Lye, economist at Crosby Research Ltd. "It is a natural transition process."

increase a little in calendar 1992.

the economy to start recovering

from the second quarter of 1992.

Some industry analysts expect

## Lift Tokyo By 3.6% Compiled by Our Staff From Dispatches

Rate Cut,

Wall Street

TOKYO - Tokyo share prices umped 3.5 percent on Monday, the first trading day of the year, thanks to Wall Street's recent record highs and a half-percentage point cut in Japan's discount rate Dec. 30.

The 225-share Nikkei average closed up 817.41 points, or 3.56 percent, at 23,801.18. An estimated 180 million shares changed hands in the half-day session, up slightly from 175 million in last Monday's half-day session. Advancing issues outnumbered declines by a huge, 9to-1 margin.

Other Asian markets, including Hoog Kong, Taipei and Singapore, were also buoyed by Wall Street's

strong performance.

Brokers attributed the sharp rise in Tokyo to Wall Street's record highs. December's discount-rate cut and the firm yen. President George Bush's visit to Japan, start-ing Tuesday, fueled speculation that Tokyo would take measures to stimulate its economy.

The broader first-section TOPIX index also rose, 48.75 points or 2.84 percent, to 23,801.18.

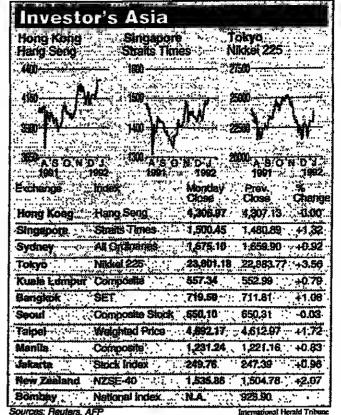
The Tokyo stock market had been closed since a half-day session last Monday. (Reuters, AP)

#### ■ Seoul Fizzles

Seoul stocks, which surged last week as the market opened to direct foreign investment, hesitated in their ascent Monday, the first full trading day for 1992, Reuters reported from Seoul.

The composite index ended 0.21 lower at 650.10. Volume totaled 440 billion won (\$579 million), up from 229 billion won during Satur-

day's half-day session. Brokers attributed the reversal to profit-taking by South Korean in-



#### **Very briefly:**

NEC Corp. is negotiating a deal with Control Data Corp. of the United States that it hopes will expand its supercomputer sales abroad. NEC hopes the move will open foreign markets, including the United States, which has been particularly difficult for Japanese companies to crack.

Development Bank of Singapore has forecast economic growth of 6 to 6.5 percent for Singapore this year, down slightly from 1991 due to weaker export demand and the tight labor supply here.

Japan's foreign-exchange reserves rose to \$68.98 billion at the end of December, up \$1.04 billion from a month earlier, according to the

• Philippine inflation sveraged 17.7 percent in 1991, but it is expected to level off at an average of 9.8 percent this year, said the central bank governor, Jose Cuisia.

Tourists arrivals in India declined by almost 8 percent during 1991. which was designated Visit India Year. Newspapers cited recession, the assassination of Rajiy Gandhi and the Gulf war for the fall.

• Telecom Co. of New Zealand and its part-owner, Bell Atlantic Corp. of the United States, said they had bid to operate the telephone network of New South Wales. Other bidders include groups from Britain, Canada

• Mitsubishi Bank Ltd. said it would cut the short-term prime lending rate vestors and a scarcity of issues that are attractive, and available, to forby 0.625 of a percentage point to 6 percent B year, effective Friday.

Reuters, AP, AFP

in the

#### Drop in Japan's 1991 Car Sales First in 10 Years said the decline also could be traced to "the after-effects of plunged 12.4 percent in 1991, to 3,364,285 units. were likely to be almost flat or

TOKYO — Falling consumer spending because of the slowing economy hurt Japan's vehicle sales in 1991, resulting in the first annual

drop in 10 years, an industry orga-nization announced Monday. Sales, excluding mini vehicles, dropped 3.9 percent in 1991 from a car earlier to 5,744,948 units, the Japan Automobile Dealers Associ-

ation said. Of the 5.74 million vehicles sold, imported vehicles accounted for 199,920, down 10.7 percent from 1990, said a spokesman for the association, Michiro Saito. He attributed the first overall decline in sales since 1981 to Japan's economic slowdown, a new law to crack down on illegal parking and higher

Mr. Saito noted that the slowdown particularly affected foreign cars, seen in Japan as hixnry items. Hitoshi Nishiyama, analyst at Nomura Research Institute Co.,

interest rates on auto loans.

booming vehicle sales in the previous two years." The decrease was mainly due to

the drop in sales of cars with 2,000 cc engines and under, which

their property assets.

Major bank stocks have been rallying since Finance
Minister Suthee Singhasaneh said in November that
banks would soon be allowed to count as capital part of

the unrealized capital gains from their equity and prop-erty holdings. Current rules call for balance sheets to

show fixed assets at their original transaction values.

Bangkok Bank Ltd. rose to close at 502 baht

(\$19.80) on Monday, compared with 338 at the end of November. Thai Farmers Bank Ltd. rose to 466, from

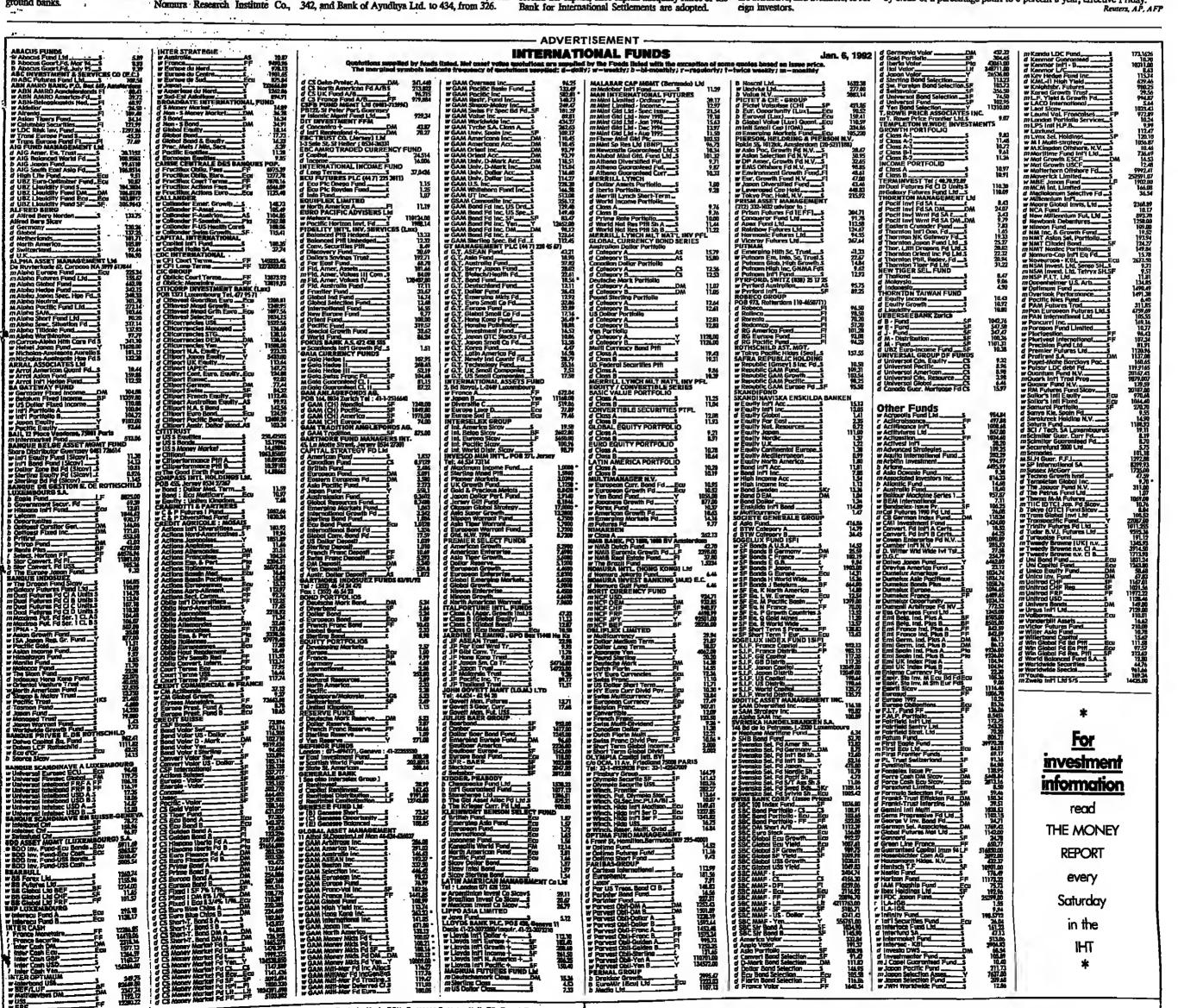
But demand for cars of 2.001 cc and over was strong, partly because of a cut in taxes for cars of this size in April 1991. Mr. Nishiyama said vehicle sales

Capital Prospects Lift Thai Bank Stocks Bangkok Bank, which posted substantially higher profit in 1991 despite Thailand's slower economic BANGKOK - Thai bank shares pursued their rise on Monday, with buying coming from investors who expected the government to allow the banks to revalue growth, was the most actively traded stock on the Thai exchange in December.

> "Bangkok Bank would still be reasonably priced at a p/e of 10, and Thai Farmers at 11 or 12," The banks carried price/earnings ratios of 6.15 and 7.34, respectively, on Monday. would be able to add about 34 billion baht of appreciated property value to their book assets, treating it as second-tier capital, once capital-adequacy ratios of the Bank for International Settlements are adopted.

"Major Thai banks have big upside potential," said

an analyst at a British research and brokerage firm.



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## Mariners Turn Winners, but Seattle May Be Loser

By Timothy Egan
New York Times Service

SEATTLE - For the first time in their melorious history, major league baseball's Seattle Mariners have a problem that has nothing to do with their performance on the field. The club posted its first winning record last season after fielding an unmatched se-

ries of losers for 14 years in a row. In the process, it shattered all home attendance records, attracting more than 2 million fans close to what the pennant-winning Atlanta Braves drew.

But the economics of major league baseball are such that Jeff Smulyan, the Indianapolis hroadcasting executive who purchased the team in 1989, says he cannot make a profit with gate receipts alone. He asked Seattle to come up with more than \$10 million a year to help cover the expense of

operating the te. m — or else.

The else, he hinted, might be moving the team to the Tampa Bay area in Florida, where the Suncoast Dome sits empty in St. Petersburg without a major tenant, and the area's leaders, hungry for baseball, have assured Smulyan that a move would be profitable. Another possibility was bankruptcy; a question that will become more common as Smulyan, who owns Emmis Broadcasting, professional baseball becomes the province of was given until February to pay a \$39.5 million bank loan on the team.

But even as Seattle civic leaders were seeking money, Smulyan abruptly threw in the towel. In early December, he announced that the team was for sale, for \$100 million, and that if a local owner did not come forth by March 27, he would be free to move the team or sell it to an outside owner. Seattle officials say he cannot do this, though, because of contracts be signed with the city.

At least nine other cities, from Houston to Pittsburgh to Chicago, have gone through a similar agony in the last five years, as player salaries have escalated and owners have held out the threat of moving in order to squeeze more money from civic coffers.

One simple statistic tells the story of modern baseball: The New York Mets recently signed Bobby Bonilla to a five-year contract that will pay him \$29 million, an amount equal to the entire payroll of numerous other teams, many winners among them.

Smulyan's deadline has forced on Seattle

the very rich: What is a sport worth to a city? Beyond the economic benefit, to restaurants. today's baseball market. T-shirt hawkers and hotels, is the sense of regional pride, Seattle officials say.

The Mariners may have been a pathetic bunch of losers for 14 of their 15 seasons, but they were losers whose every strikeout, wild pitch and managerial temper tantrum was followed by fans from the North Slope of Alaska to the Flathead Valley of Montana.

The most ohvious potential buyer is William H. Gates 3d, the founder of Microsoft Inc., the world's largest software company, with headquarters in the Seattle suburb of Redmond. Based on his stock holdings alone, Gates has recently become one of the wealthiest men in America - worth more than \$6 billion.

On radio talk shows and in letters to newspapers, fans have all but begged Gates to save the team. But Gates is not interested. He doesn't like baseball, says a spokesman, Martin Taucher.

Then, there are the inheritors of the mon-

the century, but none appears to be interested. Old money is not enough money in

So, with the March 27 deadline looming, the group of Seattle leaders charged with trying to find a local owner recently approached the Japanese. Seattle and Japan have long shared Pacific Rim trading and cultural ties that have beld strong even through the worst of recent criticism of Ja-pan by U.S. political leaders.

But the thought of foreign ownership of an American team might be too much for baseball, the national pastime, to bear.

What will probably emerge, say the Seat-tle officials, is a combination of Japanese and Seattle investors, with the local investors controlling the franchise. But it is far from a

The alternative can be found in the other Washington, the nation's capital, which was the last city to lose its baseball team. In 1972, the Washington Senators moved to Texas. There are still enough mourners to fill a

## Storms Turn **Cup Racers** To Rescued

Compiled by Our Staff From Dispatches SAN DIEGO - Stormy weather turned what was to have been a day of practice racing for the America's Cup challenge yachts into a day of

In winds gusting to 30 knots, Italy's newest America's Cup challenger was battered at the entrance to San Diego Bay and nearly smk Sunday by a series of 12-foot (3.5meter) waves.

The French crew also had to give up any hope of racing when their tender boat abandoned them to rescue a fishing boat that suffered a broken moder.

Barry Stevens, a photographer who witnessed the incident involv-ing the Italian boat, said the II Moro di Venezia V nearly sank at the mouth of San Diego Bay while under tow from the harbor to one of the America's Cup courses on the Pacific Ocean off Point Loma.

The mainsail was up and the Italian crew was preparing to hoist the jib when the tow line between the yacht and its tender went slack, causing the 75-foot sloop to turn sideways into the waves, Stevens

Water had started washing across the deck and into an open hatch when the carbon-fiber rudder snapped, sending the yacht spinning out of control. It made at least two 360-degree turns while crewmen started the bilge pumps and frantically bailed water hand, Stevens said.

Four crewman used the yacht's spinnaker pole to steer from the waves into calmer waters, where the tow line was reattached and the sloop was returned to the syndi-

cate's base camp on San Diego Bay.
"If they had gone another 150 yards into the ocean, they probably would have sunk," Stevens said. "It was 10 minutes of real drama."

A combination of winds between 20 and 25 knots and eight-foot seas apparently combined to break off the radder, which floated to the surface during the ordeal and was retrieved by the crew of a nearby

The syndicate spokesman, Stefano Roberti, credited quick action by the crew with keeping the \$5 million yacht afloat. It is the newest of the syndicate's five America's Cup Class boats,

A practice race among challengers had been canceled earlier Sun-

#### Search Begun for 2d Yacht Missing For 8 Days in Japan-Guam Race The Associated Press

TOKYO - Japan's coast guard said Monday it had begun searching for a seven-man yacht that hadn't been heard from in eight days, three days after it and nine other Japanese yachts set out on a

The 46-foot (14-meter) Taka last radioed its position Dec. 29, said an official of the Maritime Safety Agency, speaking on condition of

On Dec. 30, another of the racers, the 40-foot Marine Marine, capsized in rough seas. Four of its crew members were found dead, four are still listed as missing.

The official said a plane reported no sign of the Taka after the race's sponsor, the Nippon Ocean Racing Club, requested a search Monday. The official said the Taka's last reported position was about 400 miles (644 kilometers) south of Tokyo in the Pacific Ocean. He said that was about 260 miles south of where the Marine

Marine capsized.

The 1.334-mile Toyoko Cup race began Dec. 26 from Kowajiro, about 28 miles southwest of Tokyo.

An official of the club, who also spoke on condition of anonymity, said five yachts had reached Guam and that three, including the Marine Marine, had abandoned the race, with the Taka unaccounted

### Yanks Sign **Tartabull**

The Associated Press

NEW YORK - The New York Yankees, who hadn't shown any interest in Danny Tartabull until last week, Monday reached agreement with him on a five-year free-agent contract believed to be worth 525.5 million.

The Yankees said they had agreed in principle with the outfielder, 29, who last year hatted .316 with 31 homers and 100 runs driven in for the Kansas City Royals.

"We got it done in a hurry," said the Yankees' general manager, Gene Micbael. "We pressured them a bit. I stayed at it for four solid days.

Michael, prevented by the Yankees' ownership from pursuing other hig-name free agents, such as Bohhy Bonilia, said he was "surprised and happy I could go after him. The finances were not there before. I like spending money."

The Los Angeles Times reported that the deal includes a \$1.5 million signing bonus and a clause guaranteeing Tartabull will earn an additional \$1.5 million in endorsements. In 1992, he will make \$5 million.

Incentives reportedly include an extra \$150,000 for being the league's most valuable player, \$50,000 for making the All-Star team and \$50,000 for being the MVP in a postseason series.



Pescosolido: Crime And Punishment

Italian tennis star Stefano Pescosolido, offering Nicole McPhail a bouquet of flowers after his racket, which he had kicked in anger during a match Monday in the New South Wales Open, flew off the court and inflicted a large cut above her right eye. Pescosolido said that "I feel very bad about it;" officials agreed he should, fining and ejecting him from the tournament in Sydney,

day because of rainy weather and winds between 20 and 30 miles an hour, but several teams tried to test their heavy-weather capabilities

The French went to the rescue of three people aboard a fishing boat that was in danger of foundering on the rocks below the Cabrillo light-

Pascal Appicella, the French tender's skipper, pulled the fishing boat oot of trouble and a lifeguard boat towed it to safety.

New Zealand Impresses Earlier, Barbara Lloyd of The New York Times reported from San

Diego: New Zealand's newest America's Cup yacht looks as if it could be a front-runner this winter in chalengers' efforts to win the America's Cup, based on first impres-

New Zealand's boat, the team's fourth and final yacht to be built for the 1992 cup trials, beat seven other America's Cup contenders in San Diego on Saturday in an informal fleet race off Point Loma. The official challengers' trials, which begin Jan. 25, are match races.

The red-hulled sailboat left sevan of the 75-foot challenge yachts behind by at least three minutes at the finish. The race was called off at the fifth mark of the eightlegged, 22.6-mile course because of fading breeze.

Peter Blake, campaign manager for New Zealand, conceded that the victory was good for his team's

morale in the "first real sail" of the new boat. But he cantioned against reading too much into the results. "Some of the boats got caught on

the wrong side of the course and didn't do very well," said Blake. "Others, like us, were in the right place at the right time." The winds were unsteady, and at 3 to 5 knots, barely suitable for a sailboat race.

Spirit of Australia, a new yacht sailed by Iain Murray, and Ville de France, Marc Pajor's contender, led the way up the first leg of the fleet race. The three yachts lugged the left side of the course while most of the others stayed to the

In its construction stages, the New Zealand boat was rumored to be a breakthrough design. Its ap-pearance above water looks radical with its open-ended stern and snub-nosed bow. Its underwater configuration has been a closely guarded secret, but the shape is thought to harbor twin keels; a combination never attempted before in America's Cup sailing.

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KOREBOAR

■ Flying Dutchman Races -Brothers Thierry and Vincent Berger of France scored their second successive heat victory. Monday for a commanding lead after five heats of the world Flying Dutchman class sailing championships. The Associated Press reported from Tauranga, New Zealand." The New Zealand team of Mus-

ray Jones and Greg Knowles were in second; Spanish skipper Luis Doreste, third in Monday's heat, moved up to third overall.

#### **CHESS**

By Robert Byrne

OST grandmasters prefer bishops to knights, but not 21-year-old Ukrainian grandmaster Vasily Ivanchuk. He wins with horsepower. In the World Lup tournament in Reykjavik, Iceland this autumn, Ivanchuk once again used short-stepping knights to triumph over bishops in this seventh-round game with his countryman, the grandmaster Valery

One of the main ideas of 6...Bd7 in the Richter-Rauzer Attack is that after 7 Qd2 Rc8 8 O-O-O Nd4 9 Qd4 Qa5 10 I4, Black can make a positionally effective sacrifice of rook for knight with 10...Rc3!? 11 bc e5 12 Qb4 Qb4 13 cb Ne4. But the move-order Ivanchuk chose with 8 f4 did not permit that: on 8... Nd4 9Qd4 Qa5 10 e5!, White obtains the upper hand after 10...Rc3 (10...de 11 fe e6 [11...Bc6? loses a piece to 12 b41] 12 Bd2 Bc5 13 Qi4 Ng8 14 Ne4 is strong for White) 11 bc Ne4 12 Qe4! Qc3 13 Kf2 Qa1 14 Bb5! Qc3 (14...Qb1? 15 Qb7 f6 16 e6! forces mate) 15 Bd7 Kd7 16 Qb7 Qc7 17 Rhl because Black must exchange queens and then go down into a pawn

Salov obtained two bishops for two knights with 11...Nb4 12 O-O Nd3 13 Qd3, but he was unwilling to accept lvanchuk's gambit with 13...Qb6 14 Ne3 Qh2 in view of the strong initiative White gets with 15 Ned5 Qb5 16 c4.

The strategy of the position after 17 15 is for White to prepare pressure against the doubled I pawns. If he can ever

force...e5, a knight will take over d5 and the game, but if Black can somehow break the center open for his bishops, White would be done for. Apart from the pawn structure, the uncomfortable position of the black king was a drawback. On 29 Nc2, the penalty for 29...Qc4 would have been 30 Qc4 bc 31 Nd4 Bc8

32 NI4 Bf8 33 Rc7 Kc7 34 Nh5. Salov was holding on tenaciously with 30...Bd8, but Ivanchuk came after the weak c6 pawn just as tenaciously with 31 NI4!, the point being that 31...Rg7 32 Nde6 Qe5 33 Ng7 Rg8 (33...Be4? 34 Qh3) 34 Nf5 Be7 35 Nd5 wins a pawn and puts the knights into the best squares

on the board. On 33 Qh3, Salov should have played 33...Be4 34 Nfc6 Kb7 35 Nd8 Rd8 36 Oc6 Oc6 37 Ne6 Rg8 38 Nf4 h4 with a tenable endgame

Very likely in time-pressure after 37 h3, he missed a chance for counterpressure with 37...Bb6! Instead, his 37..f5? gave Ivanchuk time to play 38 Qd7, threatening favorable simplification with

lvanehuk's accurately calenlated knight fork, 45 Ng6!, crushed all resistance. Thus, 45...Rh3 46 Kg1 still leaves two black pieces en prise, and worse yet, 47 Ne7 would be mate.

So Salov, with nothing more to lose, gambled for a perpetual check with 45...Qf1 46 Kh2 Rh3, but Ivanchuk was not to be hoodwinked into 47 gh? Qh1 48 Kg3 Qf3 and so on.

After 50 Kg3 Bh4 (50...Qg6 51 Kf2

Position after 44 ... Be7 Bh4 52 Kf1 Bg3 53 Rd2 is no better) 51 Kf4, Salov could not think up any more

tricks and gave up.



SICILIAN DEFENSE

#### **BOOKS**

INCIDENT AT AKABAL

Houghton Mifflin Co., One Beacon Street, Boston, Mass. 02108.

By Joanne Omang. 313 pages. \$19.95.

Reviewed by James Polk

I N the mid-'80s, as a Central American correspondent for The Washington Post, Joanne Omang heard of a peculiar confrontation between government troops and the inhabitants of an isolated Indian village in the backlands of Guatemala. She pursued the story for ber paper as far as she could -until it erupted into a Rashomon-like cloud of conflicting versions. Unable to go any further as a reporter, Omang turned the information

over to her imagination. The result is a novelist's vision informed by a journalist's eye. "Incident at Akabal," set in a generie Central American country, is full of the violence and

anguish of a society up for grabs. Miguel Angel Kanal, a young Indian from Akabal who is secretly under the spell of the radical Guerrilla Army of the Poor and of its charismatic leader Nahual, is filled with cloudy visions of justice and freedom. He bombs an army barracks, killing several soldiers and trig-gering more than he bargained for.

Unfortunately for him, Miguel is spotted as he flees. From the ruins of the army post, an elite force under the command of the jaded Lieutenant Gomez is swiftly dispatched in pursuit, and after tracking their quarry over mountains paths and through villages, arrives in the dusty hills overlooking Akabal. The soldiers, given Miguel's name by an informer, present Akabal with an ultimatum; turn him over by dawn tomorrow, or face the consequences. What consequences? The town quickly becomes awash in speculation.

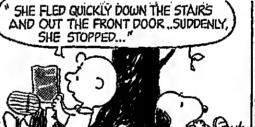
As the arguments swirl, we meet the citizens of Akabal and see snippets of its past. The village these disparate types inhabit and to which Gomez and his soldiers have come, like so many similar places in strife-torn regions around the world, owes its survival to its unimportance. It is a place where people struggle to get through the day, with neither the time or the inclination to he swept up by the passions of passing causes. The Indians who live there are exploited as migrants hy plantstion owners on the coast, work whatever odd jobs they can scrounge, worship their various gods (accumulated from various faiths) and are of necessity much more interested in issues of survival than in issues of justice.

Omang's portrait of Central American Indian culture, where descendants of the Spanish are still looked on as recent interlopers and where the accommodating Mayan deities readily share their spiritual duties with the more rigorous Christian one, is exceptional. But more than that, "Incident at Akabal" is a fine and complex account of people desperately trying for a middle road between absolutes where no such path exists, accidentally thrust into the front lines of a fight they want no part of, for no matter who wins, everyone knows that nothing much will change.

James Polk, who writes frequently about contemporary fiction, wrote this for The

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#### PEANUTS

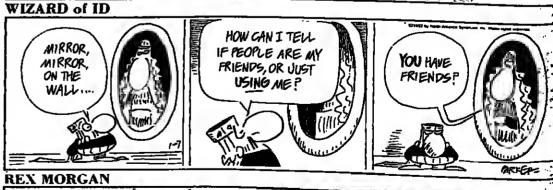




#### BEETLE BAILEY I FORGOT TO BRING HI, MOM! BINOCULARS! GO SARGE DO WE HAVE ANY HOME AND GET BINOCULARS? SOME, ZERO











## DOONESBURY







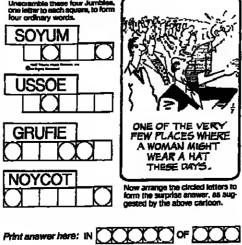




#### **DENNIS THE MENACE**



AND WHEN MY ARMS GROW LONGER I CAN GIVE YOU A BIG BEAR HUG!



JUMBILE, THAT SCRAMBLED WORD GAME
by Henri Arnold and Bob Lee

TIDIES: ROBOT PRUNE SYSTEM MUFFIN



Kramer passing: Winning ways an antidote to tough times.

# In Kramer, Union Detroit Finds a Scab It Can Love

New York Times Service

PONTIAC Michigan - On his way here, driving his van on Interstate 75. Ted Wagner shook his head when he saw a man. holding up a sign at an exit. "Willing to work for food," the sign read.

Lately, Wagner has not been sitting in the lap of luxury, either. His job on a Ford Escort assembly line in Detroit, where he places weather stripping on 78 cars in an hour — "You move so fast it's like dancing" - has been reduced to one week a

"And just before Christmas, you'd see people holding up signs, 'Willing to work for toys,' " he said "Times are tough around here, as tough as most people can emember. So that's why a lot of us overlook it that Erik Kramer was a scab. He's our quarterback, and it's the Lions. We're rooting for him."

"Maybe at first you thought about it." said Dennis Clark, a short-order cook. "But Kramer's taken us a long way." "That's about it," agreed Faye Plovic, a

Kramer is the improbable quarterback for the Lions, who beat the Dallas Cowboys, 38-6, in Pontiac on Sunday in a Sunday in a er-term and less cyclical problems: a police

National Football Conference playoff game in the Silverdome.

It was the first playoff game that Detroit had been host for since 1957 - when it beat Cleveland to win its last NFL championship - and it was the Lions' first playoff game since 1983.

And Kramer, who got his start in the National Football League with Atlanta as a nonunion "replacement" player during the strike-interrupted 1987 season, was calling the signals and throwing the passes. The Lions were hot going into the game, and so was he, and Detroit was jubilant. Sunday, Detroit's fans again cheered him loudly as he passed for 341 yards and

three touchdowns and moved the Lions into a National Conference showdown with Washington. Motown, from the Motor City, is a long-

time blue-collar — or, as they call it here, "lunch-bucket" — section of the country and dependent, of course, on one particular industry, automobiles, which is reeling.
In a depressed national economy, cars
have been as hard hit as any product.

"The recession is bad enough," Joe H.

department troubled by scandal; a hous- most of the 1990 season on the Lions' ing crisis created by an incredible series of leadership defaults; a tension between the races and between city and suburbs that is debilitating; a school system that has got better but still struggles against awesome

To readers here, it was not necessary to add: the homicides, the homeless, the heartbroken. In this area, sports has often been a great rallying point, the entertain-ment that diverts the masses from their misery. And while the basketball Pistons and the baseball Tigers have won, the Lions in the last 30 years and more have run into walls, and each other, too.

Suddenly, this season, things began to change. It appeared less than auspicious, however, when, in their eighth game, the Lions' first-string quarterback, Rodney Peete, tore an Achilles' tendon on the first series of plays and was lost for the rest of

The Lions had two substitute quarterbacks: Andre Ware, a second-year player who had not impressed many, and Kra-

injured reserve list, and then at this time he was the scab quarterback in Atlanta, last year had been out of a job.

But it was Kramer who the coach, Wayne Fontes, called on to replace Peete. Kramer, the man who once played in something called the Potato Bowl for Pierce (California) Junior College, who after two years at Pierce played for North Carolina State and wasn't drafted by the

NFL after his senior year, in 1986.
Against Dallas in his first appearance for the Lions, Kramer responded hand-somely. He threw two touchdown passes and the Lions won, 34-10. He went on to play a large role as Detroit won six of its next eight games and finished the regular season at 12-4.

"He's won some games for us," Fontes said of Kramer. "He's made the big play." Kramer has demonstrated resilience and poise and skill this season - his teammates call him Brass for his coolness under ressure - and in a curious way he seems to personify aspects of the Detroit area.
"Detroit has long seen itself as a town

too tough to die," wrote editorialist Stroud, mer, who had played three games in the strike season, then had spent two seasons in the Canadian Football League before

"and too resilient ever to be defeatist."

At the same time, nobody, even in Detroit, thinks of Kramer in the class of Elway

"The last time I heard of Erik Kramer. Tony Casillas, a defensive tackle for the Cowboys, said before the game. Casillas was one of the players who walked the 1987 picket line that Kramer crossed daily. "When we went up to Detroit earlier this season, I couldn't believe it was the same guy," Casillas said. "And from what I hear, he seems like he's getting a little

And Cowboy linebacker Jack Del Rio said: "It's amazing to me that a pro-union town like Detroit would get behind a quarterback that crossed the picket line and played for a scab team. I would think they'd resent that."

In the end, Casillas was wrong. And so was Del Rio. Kramer beat the Cowboys and the cheers were loud.

Ted Wagner shrugged when asked about it. "Right now," said the part-time assemblyline worker, "we're hoping for two things here. We want the Lions to win and for George Bush and the Big Three"—representatives of General Motors, Ford and Chrys-ler—"to come back from Japan with good news about trade barriers. If that happens, there will be such a warm glow around here,

#### **NFL Playoff Picture**

First-Round Games

AFC

• KANSAS CITY CHIEFS 10, LA. HOUSTON OILERS 17, NEW

ATLANTA FALCONS 27, NEW

ORLEANS SAINTS 20. DALLAS COWBOYS 17, CHI-CAGO BEARS 13.

Second-Round Games

AFC

DENVER BRONCOS 26. **HOUSTON OILERS 24.** BUFFALO BILLS 37, KANSAS. CITY CHIEFS 14.

WASHINGTON REDSKINS 24, ATLANTA FALCONS 7. ADETROIT LIONS 38, DALLAS

Conference Title Games

COWBOYS 6.

AFC.

**EDENVER BRONCOS (13-4) at** BUEFALO BILLS (14-3) Sunday, Jon. 12, 12:30 P.M.

NFC

DETROIT LIONS (13-4) at WASHINGTON REDSKINS (15-2): Sunday, Jan. 12, 4 P.M.

Super Bowl XXV

Minneopolis, Sunday, Jan. 26 Lions-Coroboys Statistics

First Quarter

klck1, 3:31. Dot-FG WHIM 28, 14:50.

Det-Jenkins 41 Interception

Del-Jensins of interconnection (Mor-roy Mich.) 8:18. Del-PG Willis 28, 12:82. Del-PG Murroy 36, 14:33. Third Guerber Del-Green 9 pass from Kromer (Murroy

kick), 13:4). Det---Moore 7 pass from Kramer (Murray) kick), 16:46.

First downs Rushes-yards

337 67 Passing Return yards Comp-att-int 5-45 3-2 3-19 possession 20:27

AUSHING-Dollos, E.5mith 15-80, Agee 3-12. on 1-2. Revertoin 1-2. Alkmon 2-0. Del Johnston 1-3 Betterion 1-2 Automatica Constitution 3-17, Worse 1-(mileus 2)
PASSING—Potitos, Betterioin 7-13-1-91, Alik-man 11-16-1-114, Detroil, Kramer 29-38-9-34. Yare 0-0-0. RECEIVING—Dallas, Irvin 5-84 Harper 4

56, Novocek 4-55, Wright 1-7, Johnston 1-3, Await 1-2, E.Smith 1-2, Asec 1-(minus 4), De-trolf, Green 5-115, Moore 4-67, Fart 5-42, Sand-ars 5-30, Perrimon 3-18, Clark 2-29.



3 3 0 0-4 Troy Aikman saddled up for the Cowboys, only to ride into the clutches of the Lions' Dan Owens.

# Kramer Passes for 3 Touchdowns As Lions Flay the Cowboys, 38-6

By Timothy W. Smith
New York Times Service

PONTIAC, Michigan — The Silverdome is Wayne's World and it seemed ambitious on the part of the Dallas Cowboys to think that they were going to come in and rock it and at the same time sock it to the Detroit Lions, who had not lost a game here all season.

The Lions, playing with several starters gimpy with injuries, had a masterly game plan concocted by their coach, Wayne Fontes, and executed by some players who were

They turned back the Cowboys, 38-6, in front of a rancous crowd of 78,290 on Sunday afternoon to advance to the National Conference championship game against the Washington Redskins next Sunday in Robert F. Kennedy Stadium.

With the defense swarming all over the Cowboys' offense and quarterback Erik Kramer and receiver Willie Green seemingly op-erating on telepathy, Dallas had no

The Cowboys stayed close in the first half, trailing by 17-6. But De-troit secred three touchdowns in the second half, two on passes from Kramer and one on a 47-yard run by Barry Sanders, who otherwise was bottled up most of the game.

Everyone figured that Detroit would have to rely on the magnificent feet of Sanders if the Lions were to have any chance of beating the Cowboys. But, with the Cowboys playing a soft zone coverage, with the cornerbacks lagging deep in the secondary and the safeties shut down Sanders, it was the passing feats of Kramer that carried the

balf, but all the Cowboys could get

ception. On the Cowboys next posboys 27 to give Detroit the balf
session, which started at their 32,
back a few seconds later and Kraing feats of Kramer that carried the
balf, but all the Cowboys could get

Johnson replaced Beuerlein with mer threw a seven-yard touchdown

The Cowboys entered the game Kramer cooled off after the first straining a ligament in his right Cowboys.

with a plan to stop Sanders, the NFL's second-leading rusher, and to stymie Kramer, a journeyman whose travels had taken him to the Canadian Football League and in 1987 to the Atlanta Falcons as a strike-replacement player,

Instead, Kramer ripped through the Cowboys' soft coverage, com-pleting 18 of 22 passes for 195 yards and a touchdown in the first half. When it ended, Sanders had four carries for eight yards.

Today was just something special," said Kramer, who took over Oct. 27 when Rodney Peete injured his Achilles tendon in the 34-10 victory over the Cowboys, "From the first series on, I was in that zone everyone hopes and dreams he can

He added: "I really have to thank the coaches for staying with me. They never gave up on me. That meant a lot, especially this week, with all the insults that were coming up from Dallas."

On the Lions' first possession of the game, he completed passes of 11 yards to Herman Moore, 13 yards to Mike Farr and 13 yards to Willie Green before hitting Green on a 31-yard touchdown pass with 11 minutes, 29 seconds to play, making the score 7-0. All five of the plays on the 68-yard drive were passes by Kramer and the only incompletion was a short pass over

the middle to Sanders. The Cowboys did not deviate from what was expected of them. When you have the league's leading rusher, as Dallas does in Emmitt Willis.



As the seconds ticked off, the Lions' coach, Wayne Fontes, wasn't.

drive, but he continued to riddle knee against the Redskins on Nov. Dallas's defense, mostly throwing underneath the coverage to Sanders and throwing short sideline patterns to his wide receivers.

Then, the Lions' defense took charge. On the Cowboys' first possession of the second quarter, quar-terback Steve Benerlein threw a sideline pass to receiver Alvin Harper on a first-and-10 play from the Cowboys' 28. Cornerback Melvin Jenkins stepped in front of the pass and returned it 41 yards for a touchdown and a 14-3 lead,

When Eddie Marray's 36-yard field goal made it 17-6 with 27 seconds left in the half, the Cowboys' coach, Jimmy Johnson, had seen enough of Beuerlein, who was 7 of 13 for 91 yards and an inter- ered a fumble by Smith at the Cow-Johnson replaced Beuerlein with mer threw a seven-yard touchdown Lions to their first title game since were two field goals by kicker Ken Troy Aikman. It was the first ac- pass to Moore to make the score

He completed his first pass, an 11-yarder to tight end Jay Novacek. On the next play he was sacked by defensive end Jeff Hunter for a nine-yard loss. Then, he was intercepted by linebacker Chris Spielman to end the half. Those three plays were a microcosm of Aikman's day.

Kramer and the Lions put a severe crimp in the Cowhoys' chances of coming back when Green caught a nine-yard touchdown pass with 1:19 to play in the third quarter, giving the Lions a 24-6 lead. On the seven-play, 80-yard drive. Kramer completed six of seven passes for 71 yards.

Linebacker Victor Jones recovtion that Aikman had seen since 31-6. It also made believers of the

## Rypien: A Star Who Runs on Brain Power as Well as Muscle Power

By Richard Justice

Washington Post Service
WASHINGTON — The last time Mark Rypien had faced the Atlanta Falcons, two months before, he had his best day, putting up numbers he may never touch again: six touchdown passes and 442 yards on only 16 completions in a 56- game.

17 victory. He didn't come close to that in the 24-7 divisional playoff victory over Atlanta, completing just 14 of 28 passes for 178 yards. He threw an interception and failed to throw a touchdown pass for only the fourth time this season. But it was one of those subtle days that reminded the Washington Redskins how good their quarterback has been. A year earlier, they doubted such a day would ever come.

The but on was a game where the in the NPC training will be the first coal between the copportunities, and I think our guys understood that."

So Theismann two doubted such a day would ever come.

"Rip doesn't miss many things," Gibbs once and Rypien.

15-26 5-5 33. Perkins 8-13 1-1 17. Rehounds-Miomi 47 (Setikuly 10), Los Angeles 45 (Green 11), Assists—Miomi 22 (S.Smith 8), Los Ange-les 34 (Threath 19).

Sieno 75, Contatus 70, OT Fairleigh Dickinson 62, St. Francis, Pa. 60 George Washington 87, St. Bongventure 76

TRANSACTIONS

BASEBALL

Americas Lasses
CHICAGO—Exercised 1992 options of Donn
Pall, Pitcher, and Lance Johnson, outfletter.

MINNESOTA—Acreed to terms with Luis

Major College Scores

George Washington 67, St. Bonover Nicsora 67, Fairfield 62 Georgia Tach 72, Maryland 67 DePaul Tas. Layola Marylmount 93 Texas-El Poso 66, Texas Tech 62 Arizona 79, Sauta Clara 60

Rypien's emergence as a star quarterback has come on many levels, but at no level more important than in his mental

"We knew this game would come down to not making turnovers, sustaining drives and making plays here and there." Rypien said, adding that "that's what we did. It was tough to hold onto the ball and it was tough to get a grasp on how to throw it. But this was a game where the

With rain and wind making a big passing game impossible Saturday, Rypien was nonetheless close to brilliant at Outside of toughness, the number one said. "You can throw almost anything at him, and he's smart enough to pick it up. times. The Redskins stayed in the nothing I'd like to have in a quarterback is 10 loss to San Francisco, then had a fiveone interception was the only miscue.

madder. The only way you can take it out
huddle offense most of the game because for him to be smart. Rip is very smart." hour flight home to think about it. The

And Rypien made some plays. With

on someone is by trying to make the tackle."

Rypien: From smarting to smart.

likewise set up their second touchdown by spotting a wrinkle in the Atlanta defense and calling for a pass to Ricky Sanders in a seam of the Atlanta zone. The play went for 26 yards to the 2-yard line, and on the next play Gerald Riggs

The Redskins are one victory from their fifth Super Bowl, the fourth under Gibbs. If they defeat Detroit next Sunday in the NFC championship game, Gibbs will be the first coach to reach the Super Bowl with three different quarterbacks -Joe Theismann twice, Doug Williams

Rypien admits now that the end of last season was the low point of his pro career. He threw three interceptions in a 28-

their coach. Joe Gibbs, knew Rypien The Redskins scored their first touchnext day, Gibbs said publicly what he'd the Redskins leading by 14-7 in the third could come to the line of scrimmage, see down when Rypien spotted the blitz and probably been thinking for months: He changed the play to a draw, which Ricky advantage of it.

Description of the line of scrimmage, see down when Rypien spotted the blitz and probably been thinking for months: He changed the play to a draw, which Ricky didn't know if the Redskins could get to inon, completed an 18-yarder to Attachment of the Super Bowl with Rypien.

Monk on the left sideline to put Chip the Super Bowl with Rypien.
At that point, Stan Humphries looked

skins' starter in 1991, and Rypien's future was at best uncertain.

In the end, Gibbs never opened the job to competition. He showed no faith in Humphries, who he didn't believe worked hard enough. He wasn't sure what he had in Rypien, but was conwinced that Rypien would work hard to get better and was capable of making plays. What Rypien hadn't done was stay healthy or make the plays consistently.

This season, he has at times played better than the Redskins ever thought possible. Against the Falcons, in terrible weather and with the Redskins convinced that turnovers would decide the day, the

At that point, Stan Humphries looked like a better-than-even bet to be the Redgoal and a 17-7 lead. After Kurt Gouveia forced a fumble.

the Redskins drove for the clinching score. Most of the yards came on the ground, but Rypien hit two big passes. He connected with Gary Clark for four yards on third and four, and to Clark for 12 on third and nine. Riggs scored on a one-yard run to make it 24-7.

Rypien probably won himself an award at Redskin Park with his head-on tackle of Tim McKyer after the interception by Brian Jordan, who lateraled the ball to McKyer, who was drilled by Rypien.

"You're already mad about the interception," Rypien said. "Then they start tossing the ball around, and you get even



#### SCOREBOARD

EASTERN CONFARANCE

BASKETBALL **NBA Standings** 

E Division

W L Pct

20 9 490

19 12 413

15 18 455

14 18 428 W L Per 20 9 490 19 12 455 14 18 458 12 19 387 11 20 355 6 24 300

.833 --.708 4 .533 9 .531 9 .500 10 .404 13 .273 17% WESTERN CONFERENCE Usbh Houston San Antonia .433 .387 .172 12 19 5 24

MINNESOTA—Agreed to terms with class Quimones, Infielder, on minor-league confroct with Portland, Pocific Coast League. TEXAS—Agreed to terms with Jeff M. Rob-inson and Jeff Selfers, elicher, on minor-league contracts with Oklahama City, Ameri-con Association. National League ATLANTA—Agreed to terms with Ben Ri-wers, elicher, on one-year contract. Pocific Di ,724 ,445 18 13 .581 16 14 .533 17 16 .515 9 21 .300 ATLANTA—Agreed to terms with Ben Rivera, pitcher, on one-year contract.
PITTSBURGH—Agreed to terms with Cecit Espy, confleider, on one-year contract; Espy-occupied assignment to Buffelo, AA.
ST. LOUIS—Signed Scott Tarry, pitcher, to Souther L.A. Chopers 26 16 15 23 4—104 28 17 30 25 2—108

Hew York 28 17 39 24 17: Johnson 7-14 9-9 29, Hornook 6-13 4-4 17: Ewing 15-357-13-32, McDoniet 7-19-2-16, Stories 6-12-3-3 16, Rebounds—Phoenix 56 (Perry 11), Hew York 54 (Ewing 13), Assists—Phoenix 22, Mew York 54 (Ewing 13), Assists—Phoenix 23, Mew York 54 (Ewing 13), Assists—Phoenix 24, Mew York 54 (Ewing 14), Assists—Phoeni ear controct.

BASKETBALL

Noticeol Basketball Assoc National Busicethal Association ORLANDO—Put Oils Smith guard-to-neard, on intered list. Signed Chris Carchioni, guard.

Robinson 9-15 4-6 22. Perter 7-11 4-5 20. Re-boseds—Philodelphia 44 - Gilliam 11), Port-land 47 (Kersey el. Assists—Philodelphia 21 (Grant 7), Portland 36 (Porter 11). Miesni 27 2 33 25—111 LA. Leisers 35 31 29 28—123. Long 10-12-3-422, Selicaly 7-13-7-9-22; Worthy ceiver, from injured reserve.

DET ROIT—Put Jeff Compbell, wide receiver, on injured reserve. Activated Aubrey Marthews, wide receiver, from injured reserve.

HOCKEY

Notional Heckey League

CHICAGO—Recoiled Miles Stapleton and
Sean Williams, coalers, from indianoplis, in-

ternotional Hockey League. Sent Dan Vince-lette, left wine, to tradianopolis. HART-FORD—Relastated Chris Govedaris, left wine, from suspended list and assigned him to Serfoytesed, American receive League,
COLLEGE
FLORIDA INTERNATIONAL—Miles
Honks, assistant basisetball coach, resigned
to become coach of Concos Crocodiles, Vene-zuelan Protessianal League.
HOLY CROSS—Named Peter Veas football

LAMAR—Gary Gallup, athletic director, esigned. NEW MEXICO—Named Fred Biek football internative coordinator.

NORTH TEXAS—Extended contract of Decision for the particular coordinator.

NORTHWESTEAN—Named Kevin Rommun devin Rommun de

sey defensive line coach and Mike DeBord offensive line coach. offensive line cooch.
PENN-Named Al Bapnoli football coach.
SOUTHWEST TEXAS STATE—Named Lichard Hannon ethiefic director.
TEXAS CHRISTIAN—Named Par Sullivan potball coach, Resole Herring defensive co-

CRICKET .. THIRD TEST

Austrolia vs. India, Floot Day Monday, In Sydney Australia 1st Indines: 313 Austrolla 2d Innines: 173-8 Australia 2d Indinos: 173-5

Match was drawn

"Publishen vs. Sri Lanko, Feeth Day
Manday, in Folepished, Pakistan
Pakistan 1st Indinos: 221

Sri Lanko 1st Indinos: 246

Pakistan 2d Indinos: 95-4

Sri Lanko 2d Indinos: 165

HOCKEY **NHL Standings** 

WALES CONFERENCE

| COMPERCIPATION | Comp CAMPBELL CONFERENCE

rris Division
W L T Pis GF GA
25 11 4 54 164 127
18 15 7 43 140 134
17 17 9 43 147 134
17 18 2 37 122 131
10 27 5 25 197 157 Smytha Division

22 12 7 51 145 122
17 17 8 42 127 122
17 18 5 39 147 146
16 16 7 39 144 151
16 20 6 30 145 139
9 29 3 21 161 173

Remotes 8 1 1—2
Remotes (33), Roberts (24), Fleury (23);
Kilmo (13), Damphousse (21), Sterts on goal:
Calgory (on Faster) 7-3-12—21, Edmonton (on Minnesser 9 1 1—2 Chicese 1 8 1—6 Dohlen (181 2; Brown (4), Lormer (28), Roenick (32) 2, Coulet (18), Shets on seet: Minnesser (on Bellour) 8-6-14—28. Chicese (on Cosey) 5-18-6-31.

#### SIDELINES

Flores to Also Coach NFL Seahawks

KIRKLAND, Washington (AP) - Tom Flores, who coached the Oakland and Los Angeles Raiders to two Super Bowl victories in the 1980s, Monday replaced Chuck Knox as coach of the Seather Seahawks.
Flores was the Seahawks' president and will remain the general manager.
Knox, midst reports of friction this season, resigned Dec. 27 after nine seasons as coach of the Seahawks, who were 7-9 in 1991. He may be named coach of the Los Angeles Rams, a team he coached during the

Flores, 54, quit in 1987 after nine seasons as the Raiders' coach. He has been president and general manager of the Seahawks since Feb. 22, 1989, when the team's owner, Ken Behring, fired Mike McCormack.

**Baseball Bucs Fire General Manager** PTTTSBURGH (AP) - The Pittsburgh Pirates on Monday fired their general manager, Larry Doughty, under whom the baseball team won two National League East championships.

The Pirates said in a written statement that Doughty has been "relieved

of his duties" as the team's senior vice president and general manager of baseball operations. A team spokesman, Jim Lachima, declined to say why Doughty was fired.

Coventry Fires Manager Butcher LONDON (Reuters) - Terry Butcher of Coventry became English soccer's first managerial casualty of 1992 on Monday after the club said

he refused to accept a revised non-playing contract. Butcher, 33, was signed from the Glasgow Rangers as player-manager in November 1990. But Coventry, in the lower half of the first division, wanted him to sign a new manager-only contract because a knee injury had restricted him to just seven games for them.

Oregon State freshman guard Kareem Anderson, explaining his first name: "My dad likes basketball."

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#### ART BUCHWALD

# The Joneses' Last Stand

WASHINGTON — The fad watchers have predicted that "keeping up with the Joneses" will no longer be in style. The recession is causing more and more people to cease competing with their neigh-bors in the struggle for status and

the American dream. The last ones to bear the news were the Jones family. They drove

my wife and me crazy during the '80s, and 1 couldn't wait to go across the street and tell them that I was dropping out of the competition. prise me to find

a new Jaguar Buchwald convertible in their driveway. Jones, smug as al-ways, said, "I bought it off the floor. Why don't you take a spin in

"I'd rather not. We are toying with the idea of huying either a Ford Escort a Geo or a secondhand Korean Hyundai, depending on which one impresses people the

"You're planning to park one of those on our street!"

"Jones, haven't you beard? Affluence is out, and splurging on luxuries is in poor taste. No one is impressed any more with your ma-

Jones wanted to make sure that I

#### 'Life Is Sweet' Wins U. S. Critics' Awards

New York Times Service NEW YORK - "Life Is Sweet," Mike Leigh's gastronomic view of family life in an English suburb, was voted the best film of 1991 by the National Society of Film Critics, a 35-member group from major U.S. cities. Alison Steadman and Jane Horrocks, who play a mother and daughter in the film, were voted best actress and best supporting

actress, respectively. River Phoenix was voted best actor for his performance in "My Own Private Idaho," and Harvey Keitel was named best supporting actor for roles in three films: "Bugsy," "Thelma and Louise" "Bugsy," "Thelma and and "Mortal Thoughts."

wasn't pulling his leg. He yelled, "Martha, get in here. The recession has hit the fan."

Martha Jones came in wearing ber Givenchy bousecoat and black pearls from Tiffany. "What on earth are you shouting about? I was just on the phone booking our condo in Aspen. Where are you going for January?" she asked me. "I don't have to go anywhere, Martha. The word is out that until

need to keep up the Joneses." I couldn't have done more damage unless I had squirted her Elizabeth Arden bair with a bottle of

the economy picks up we don't

Dom Perignon champagne.
"But," she cried, "everyone keeps up with us. We're trend-setters. We were the first to have a TV set in our hot tub. We introduced gazebos to Wesley Heights. We went to Sardinia before anyone had even heard of it, and we had the

Washington. "Don't think we are not grate ful," I assured them. "But during a recession it's every man for himself. We can't follow you people just because you are constantly show-

first basement pistol range in

He said, "America was built on keeping up with the Joneses. The people who followed our lead were the ones who made this land a paradise. If you think that there will be any economy left in this country if you go it alone, then you are bark-

ing up the wrong bonsai tree."
"What choice do I have?" I said. "Everyone has to cut back. There couldn't be a better place to start

than forgetting about you two."

Jones responded, "Does this mean that you are not going to huild a marble indoor swimming pool off the sun room as you had

"Yes, it does, Jones, Just because you have done it doesn't mean I

"I'm not surprised. Most of the

neighbors suspected that you were too cheap to build one." That's unfair. Nothing you say can convince me that I have to keep

up with you any more." People always make those kind of statements at the start of a recession, but they eventually follow the Joneses because if they don't they have nothing to live for."

# Taiwanese Top 40 Radio, American Style

By Nicholas D. Kristof New York Times Service

AIPEI - Tune to 100 on your FM dial some bleary morning in Taiwan, and you might think that unusual atmospheric conditions had somehow brought in a California radio station.

There's an American disk jockey bantering and joking along in English and Ma-donna and Michael Jackson compact disks, and telephone requests for more American Top 40 songs — and then along comes the traffic report and gives it away. It's not the Hollywood Boulevard that is backed up, but Chien-kuo north road.
The station is ICRT—short for Interna-

tional Community Radio Taipei - and its popularity is indicative of Taiwan's fascination with the English language and Western culture.

While perhaps it is not surprising that an English-language radio station could survive in a society where learning English is an obsession and 53 percent of cabinet ministers have degrees from American universities, the remarkable thing about ICRT is that it not only survives but is also one of the most popular radio stations on the Radio audience surveys are ambiguous

on which is No. 1, but 10 percent of Taiwan's 20 million people listen to ICRT. and this may be more than tune in to any other single frequency on Taiwan.

Few places in the world are as receptive to foreign influences as Taiwan, where it is common for people to call one another by their English names as they spend an evening singing American songs in a Japanese karaoke bar after a dinner at McDonald's.

"This country is like a fighter who isn't too heavy and can move left or right very easily," said Michael Woodward, an American who is ICRT's acting program direc-tor. "It is absorbing all the dynamics from East and West, and this is a great advan-

Americans like Woodward who work at ICRT can easily become famous on Taiwan, particularly if they speak Chinese. Surveys have found that half of Taiwan's 10 best-known radio disk jockeys are Americans at ICRT, and some — like Patrick Steel, a Haitian-American who speaks both Mandarin Chinese and Taiwan dialect - are among the island's foremost

ICRT began in the 1950s as a radio station for American servicemen in Tai-wan, but the troops left after the United States recognized mainland China in 1979.

Now there are still 30,000 registered foreigners living in Taiwan, and probably at least as many live here quietly on tourist visas, teaching English or holding odd jobs, but 97 percent of ICRT's listeners are Chi-



Music show host Ingrid Wu and Michael Woodward, acting program director for ICRT in Tapai.

"People like to listen to ICRT because they want to practice their English, and because it's got good programming, said Jaw Shau-kong, the American-educated head of Taiwan's Environmental Protec-

tion Administration. Another factor is that it's simply very fashionable to be seen fistening to ICRT, because it implies a relaxed familiarity with American culture. For the same reason, many Chinese here and in Hong Kong pick English names for themselves - sometimes disastrous ones, like Kitty Chow -

even if they scarcely speak any English.
"It's kind of a bohby for yuppies to
listen to ICRT," said Tina Ma, ICRT's
public relations director. She is one of 97 staff members, of whom 40 are foreigners. The fascination with American culture is apparent everywhere in Taiwan. There are

two English-language daily newspapers in Taipei, more than in most American cities. American films are frequently shown on television and in movie theaters, with subtitles but not dubbed. Language schools are everywhere, and enormous numbers of children go to English-language classes in the evenings.

In addition, the letest fashion in Chinese-language songs is to throw a few Engrapher," said George E. Wehrfritz, one of

INTERNATIONAL CLASSIFIED

fish words in the lyrics, as a linguistic spice. Some people here believe that Taiwan's enthusiasm for Western culture reflects a profound insecurity and rootlessness, shaped by uncertainty about whether Taiwan is fundamentally China or an indepen-

dent country.

Compounding this identity crisis, they say, is a low-level but constant worry that the Chinese mainland may some day carry out its threats to attack Taiwan. In any case, Chinese here seem to admire

America not only as an escape route but also for its popular culture, business opportunities and graduate schools. Many students want to perfect their English so they can study abroad, and no qualification is revered more in Taiwan

than an American Ph. D. These American-educated officials have not always been noted for their tolerance, and there are periodic accusations that the government stifles ICRT and other broadcasters. When three ICRT journalists were dismissed in 1991, there were widespread accusations that the reason was that they had offended the government with aggressive reporting.

the journalists who was dismissed. Wehrfritz said his problems had arisen because he covered the opposition as well as the ruling Nationalist Party, and he has sned ICRT for breach of contract.

Nelson Chang, a businessman who is a member of the board of directors, denied any censorship. He said the problem was principally financial: to control costs, staff levels had to be cut, and he notes that business as well as news positions were eliminated.

While some reporters chafe at the station's close links to Taiwan's business and political establishment, other Americans find ICRT and Taiwan a most congenial home. Charles S. Gravitt, the news director, who uses the radio name Doc Casey, was a television reporter in Hawaii when he was hired to come to Taipei to work for ICRT in 1989.

"I was terrified because I spoke no Chinese," Gravitt said. "But I came and found pizza parlors and 7-Elevens and felt very comfortable."

Prodded by his work partners, Gravitt arknowledged that his engagement to a Taiwan woman has also helped him adjust to the culture. "I have no plans to leave,"

#### **PEOPLE**

Marcos Ex-Aide Relates Last Days, in New Book

The former Philippine president Ferdinand Marcos was a compalsive pill-taker befuddled by prescribed drugs and undergoing regular kidney dialysis when he was overthown in 1986, a new book says. Written by Colonel Arhan Artiza, a Marcos aide for 21 years, the book entitled Ferdinand E Marcos, Malacanang to Makiki's says that Marcos's only son, Ferdi nand Jr., donated one of his hid-neys for transplant in August 1983. Marcos's body rejected the organ after 48 hours, it says, and another kidney, from a nephew, transplant ed 15 months later, functioned for four years before collapsing in 1989, just before Marcos died, the book says. The book, published in Manila, describes how aides destroved documents, packed jewels and money, and gave their ailing chief a last, sad salute as he left the palace just before mobs overran it, ending his 20-year rule. The book asserts that Washington was involved in the anti-Marcos revolt and quotes Marcos as saying, while the rebellion was in progress, "the Americans are in on this."

EC Cop Shot D By Jug

all 5 (the Tril The Feele Tril

Admits Resign

The film director Alsa Parker: 47, was divorced Monday from his wife of 25 years. The London Divorce Court granted Anne Parker, 49, an uncontested divorce on grounds of her husband's adultery. They were married in July 1966. Parker's hit films include "Bugge Malone," "Fame," "The Commit-ments" and "Midnight Express."

The widow of former Indonesian president Sukarno was arrested at a ski lodge in Aspen, Colorado en charges that she slashed a fellow party guest with a champagne glass. Ratna Sari Dewi Sukarno, Si was charged with second-degree assault and freed on \$5,000 bond. police said. Aspen Valley Hospital identified the victim as Victoria M: Osmena, 43, of New York City. She was released after receiving 37 stitches in her face.

Elizabeth Tilberis has been named editor of Harper's Bazaar in New York. The appointment of Tilberis, until now editor in chief of British Vogue, reinforces the Brifish accent in American magazines with Tina Brown, editor of Vanity Fair, and Anna Wintow, of Vogne.

#### PERSONALS

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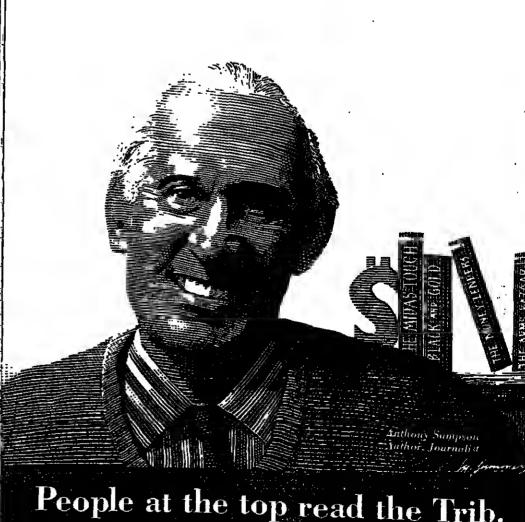
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